



Communities Committee

Tuesday, 28 May 2019

NOTICE IS HEREBY GIVEN that a Meeting of the **Communities Committee** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 28 May 2019** at **09:30**.

BUSINESS

1 Sederunt

2 Declaration of Group Decisions and Members Interests *

3 Resolution

Consider, and if so decide, adopt the following resolution:
"That under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 15 & 16 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."

4 Minute of Meeting on 2 April 2019

7 - 12

5 Written Questions **

6 Rapid Rehousing Transition Plan

13 - 16

Report by the Corporate Director (Economic Development, Planning and Infrastructure)

7 Assignations Policy Review

17 - 28

Report by the Corporate Director (Economic Development, Planning and Infrastructure)

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|-----------|--|----------------|
| 8 | Allocations Policy Performance 2018-19 Report by the Corporate Director (Economic Development, Planning and Infrastructure) | 29 - 38 |
| 9 | Affordable Housing Programme Report by the Corporate Director (Economic Development, Planning and Infrastructure) | 39 - 48 |
| 10 | Housing Improvement Plan 2018-19 Q4 Report by the Corporate Director (Economic Development, Planning and Infrastructure) | 49 - 56 |
| 11 | Universal Credit Impact on Rent Arrears Report by the Corporate Director (Economic Development, Planning and Infrastructure) | 57 - 64 |
| 12 | Housing Revenue Account Budget 31 March 2019 Report by the Corporate Director (Economic Development, Planning and Infrastructure) | 65 - 72 |
| 13 | Housing Investment Report 2018-19 Report by the Corporate Director (Economic Development, Planning and Infrastructure) | 73 - 88 |
| 14 | Question Time *** Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration. | |

Item(s) which the Committee may wish to consider with the Press and Public excluded

- | | |
|-----------|---|
| 15 | DLO Budget Monitoring to 31 March 2019 <ul style="list-style-type: none">• Information on terms proposed or to be proposed by or to the Authority; |
| 16 | Council New Build Phase 7 - Report on Tender <ul style="list-style-type: none">• Information on proposed terms and/or expenditure to be incurred by the Authority; |

Summary of the Communities Committee functions:

To deal with matters relating to Housing/HMOs, Housing Regeneration, Homelessness, Social Inclusion, Equalities, Community Safety, Anti-Social Behaviour (including road accidents) and Community Liaison.

Any person attending the meeting who requires access assistance should contact customer services on 01343 563217 in advance of the meeting.

* **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

** **Written Questions** - Any Member can put one written question about any relevant and competent business within the specified remits not already on the agenda, to the Chair provided it is received by the Proper Officer or Committee Services by 12 noon two working days prior to the day of the meeting. A copy of any written answer provided by the Chair will be tabled at the start of the relevant section of the meeting. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than 10 minutes after the Council has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he or she can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

*** **Question Time** - At each ordinary meeting of the Committee ten minutes will be allowed for Members questions when any Member of the Committee can put a question to the Chair on any business within the remit of that Section of the Committee. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than ten minutes after the Committee has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he/she can submit it in writing to the proper officer who will arrange for a written answer to be provided within seven working days.

Clerk Name: Caroline Howie

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THE MORAY COUNCIL
Communities Committee

SEDERUNT

Councillor Louise Laing (Chair)
Councillor Paula Coy (Depute Chair)
Ms Anna Bamforth (Member)
Ms Jane Bartecki (Member)
Mrs May McGarrie (Member)
Councillor Theresa Coull (Member)
Councillor Gordon Cowie (Member)
Councillor Lorna Creswell (Member)
Councillor Ryan Edwards (Member)
Councillor Donald Gatt (Member)
Councillor Aaron McLean (Member)
Councillor Maria McLean (Member)
Councillor Ray McLean (Member)
Councillor Derek Ross (Member)
Councillor Ron Shepherd (Member)
Councillor Sonya Warren (Member)

Clerk Name: Caroline Howie
Clerk Telephone: 01343 563302
Clerk Email: caroline.howie@moray.gov.uk

Minute of Meeting of the Communities Committee

Tuesday, 02 April 2019

Council Chambers, Council Office, High Street, Elgin, IV30 1BX

PRESENT

Ms Jane Bartecki, Councillor Theresa Coull, Councillor Gordon Cowie, Councillor Paula Coy, Councillor Ryan Edwards, Councillor Donald Gatt, Councillor Louise Laing, Mrs May McGarrie, Councillor Aaron McLean, Councillor Ray McLean, Councillor Ron Shepherd

APOLOGIES

Ms Anna Bamforth, Councillor Lorna Creswell, Councillor Maria McLean, Councillor Derek Ross, Councillor Sonya Warren

IN ATTENDANCE

The Acting Head of Housing and Property; the Acting Housing Strategy and Development Manager; the Asset Manager; the Building Services Manager; the Business Manager; the Transformation Officer; Emma Armit, Senior Housing Officer (Policy) and Daska Murray, Senior Housing Officer (Information).

1 Chair of Meeting

The meeting was chaired by Councillor Laing.

2 Staffing Changes

The Chair advised that Mr Richard Anderson is currently on secondment on the Property Asset Management Assessment and welcomed Mr Graeme Davidson who has taken on the role of Acting Head of Housing and Property. She was of the opinion he will be more than capable of carrying out the role.

The Chair further advised that Ms Fiona Geddes had been appointed to the role of Acting Housing Strategy and Development Manager to cover the role vacated by Mr Davidson.

The Committee joined the Chair in welcoming both to their new roles.

3 Moray Citizens Advice Bureau Update

The Chair advised that on 1 April 2019 the Moray Citizens Advice Bureau introduced a new service to help people make a claim for Universal Credit. She advised the service offers advice and support for claimants completing their initial application through to receiving their first payment.

4 Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declaration of Member's interests in respect of any item on the agenda.

5 Resolution

The meeting resolved that in terms of Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting during consideration of the items of business appearing at the relevant paragraphs of this minute as specified below, so as to avoid disclosure of exempt information of the class described in the appropriate paragraphs of Part 1 of Schedule 7A of the Act.

| Paragraph Number of Minute | Paragraph Number of Schedule 7A and reason |
|---------------------------------------|---|
| 15 | 6 Information relating to the financial or business affairs of any particular person(s) |
| 15, 16 and 17 | 9 Information on terms proposed or to be proposed by or to the Authority. |

6 Minute of Meeting of 5 February 2019

The minute of the meeting of the Communities Committee dated 5 February 2019 was submitted and approved.

7 Written Questions **

The Committee noted that no written questions had been submitted.

8 Local Housing Strategy 2019-24

Under reference to paragraph 12 of the Minute of the meeting dated 5 February 2019 a report by the Corporate Director (Economic Development, Planning and Infrastructure) provided Committee with the results of the public consultation on the Consultative Draft Local Housing Strategy 2019-2024.

Following consideration the Committee agreed to:

- i. note the results of the public consultation carried out from 6 February to 15 March 2019; and
- ii. approve the Local Housing Strategy 2019 - 2024 for publication and implementation.

9 Tenant Participation Strategy 2017-20

Under reference to paragraph 10 of the Minute of the meeting dated 7 March 2017 a report by the Corporate Director (Economic Development, Planning and Infrastructure) informed the Committee of the main findings of the 2018 Tenant Survey.

Following consideration the Committee agreed to note:

- i. to note the progress made on the Tenant Participation Strategy Action Plan during 2018/19; and
- ii. that a further report on the progress will be presented to Committee next year.

10 Housing (Scotland) Act 2014 Part 2 - Consultation Outcome Report

Under reference to paragraphs 7 and 11 of the minute of the meeting dated 20 November 2018 and paragraph 11 of the draft minute of the meeting dated 5 February 2019 a report by the Corporate Director (Economic Development, Planning and Infrastructure) provided Committee with the results of the consultation on proposed changes to the Neighbour Nuisance and Antisocial Behaviour Policy, the Short Scottish Secure Tenancy (SSST) Policy and the Evictions Policy and presented the three revised policies for approval.

Following consideration the Committee agreed:

- i. to note the results of the public consultation on the Neighbour Nuisance and Antisocial Behaviour Policy, the SSST Policy and the Evictions Policy as set out in section 4 and appendix I of the report;
- ii. to approve the revised Neighbour Nuisance and Antisocial Behaviour Policy as set out in appendix II of the report;
- iii. to approve the revised SST Policy as set out in appendix III of the report;
- iv. to approve the revised Evictions Policy as set out in appendix IV of the report; and
- v. that the implementation date for all three policies will be 1 May 2019.

11 Council New Build Housing Progress

Under reference to paragraph 10 of the Minute of the meeting dated 25 September 2018 a report by the Corporate Director (Economic Development, Planning and Infrastructure) provided Committee with an update on progress with the Council's new build housing programme.

Following consideration the Committee agreed:

- i. to note progress on the Council's new build housing programme;
- ii. note progress on the Bilbohall masterplan proposals;

- iii. that officers can progress the procurement of technical consultants to advance the delivery of the Bilbohall masterplan proposals, with details of any proposed appointment being presented to this Committee for approval; and
- iv. that further reports on programme progress will be presented to this Committee.

12 Tenant Survey 2018

Under reference to paragraph 13 of the Minute of the meeting dated 14 February 2018 a report by the Corporate Director (Economic Development, Planning and Infrastructure) informed Committee of the main findings of the 2018 Tenant Survey.

Following consideration the Committee agreed to note:

- i. the main findings of the Tenant Survey 2018; and
- ii. that an improvement action plan in response to the Tenant Survey 2018 will be presented to this Committee on 27 August 2019.

13 Housing and Property Services Budget Monitoring - 31 January 2019

Under reference to paragraph 13 of the Minute of the meeting dated 14 February 2018 a report by the Corporate Director (Economic Development, Planning and Infrastructure) presented the budget monitoring for the Housing Revenue Account and General Services Other Housing Budget for the period to 31 January 2019 and following consideration the Committee agreed to note the report.

14 Housing Investment 2018-19

A report by the Corporate Director (Economic Development, Planning and Infrastructure) informed Committee of the budget position to 31 January 2019 for the Housing Investment Programme for 2018/19 and following consideration the Committee agreed to note the report.

15 Proposed Housing Investment Budget 2019-20

Under reference to paragraph 9 of the Minute of the meeting dated 30 March 2005 a report by the Corporate Director (Economic Development, Planning and Infrastructure) presented the proposed Housing Investment Plan for 2019/20.

Following consideration the Committee agreed to approve the proposed Housing Investment Plan for 2019/20 as contained in appendix I of the report.

16 Question Time ***

The Committee noted that no questions were raised.

17 Common Housing Register Update

The Acting Head of Housing and Property provide Committee with a verbal update on the Common Housing Register and advised a detailed report would be provided at a future meeting.

18 Council New Build Phase 7 - Report on Contract Price [Paras 6 & 9]

Under reference to paragraph 15 of the Minute of the meeting dated 26 June 2018 a report by the Corporate Director (Economic Development, Planning and Infrastructure) presented an evaluation of the tender received for the Council New Build Programme Phase 7 project at Elgin South Glassgreen.

Following consideration the Committee agreed:

- i. to accept the tender received from Springfield Properties plc for Elgin South Glassgreen; and
- ii. that progress on the delivery of the Council's new build programme will be presented at future Committees.

19 Building Services Trading Operation Budget 2018/19 - Budget Monitoring [Para 9]

Under reference to paragraph 18 of the Minute of the meeting dated 26 June 2018 a report by the Corporate Director (Economic Development, Planning and Infrastructure) presented the budget monitoring information for the period to 31 January 2019 for the Building Services Trading Operation.

Following consideration the Committee agreed to note the:

- i. financial information for the period to 31 January 2019, as detailed in appendix I of the report;
- ii. revised year end forecasts to 31 March 2019 as detailed in appendix I of the report; and
- iii. Building Services operating performance and the Business Plan 2017-2020 update as set out in sections 6 and 7 of the report.

20 Building Services Trading Operation Budget 2019/20 [Para 9]

Under reference to paragraph 18 of the Minute of the meeting dated 26 June 2018 a report by the Corporate Director (Economic Development, Planning and Infrastructure) presented the Building Services Trading Operation Budget for 2019/20 for approval.

Following consideration the Committee agreed the:

- i. proposed Building Services Trading Operation Budget for 2019/20, as detailed in appendix I of the report;
- ii. services development proposals at a cost of £24k as detailed at paragraph

6.1 of the report; and

- iii. 2019/20 Business Plan priorities highlighted in appendix II of the report.



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

SUBJECT: RAPID REHOUSING TRANSITION PLAN

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of progress on development on Moray's Rapid Rehousing Transition Plan.
- 1.2 This report is submitted to Committee in terms of Section III G (10) of the Council's Scheme of Administration relating to the implementation of the Council's strategic housing plan.

2. RECOMMENDATION

- 2.1 **It is recommended that the Communities Committee considers and notes the second iteration of the Rapid Rehousing Transition Plan which was submitted to the Scottish Government on 29 April 2019.**

3. BACKGROUND

- 3.1 The Homelessness & Rough Sleeping Action Group (HARSAG) was set up by Scottish Government in October 2017 to produce short and long-term solutions to end homelessness and rough sleeping. 4 suites of recommendations were made in December 2017 and in February, May and June 2018, which have been accepted in principle by the Scottish Government. HARSAG Recommendation 7 requires that "Each local authority area to develop and cost a 5-year 'Rapid Rehousing Transition Plan' by December 2018."
- 3.2 The Scottish Government requires that Rapid Rehousing Transition Plans (RRTP) aim to end rough sleeping, transform the use of temporary accommodation and end homelessness in Scotland in a 5 year period.
- 3.3 The RRTP is part of the suite of strategic documents which form the Local Housing Strategy (LHS) 2019-24. The Council's approach to rapid rehousing is reflected in the LHS, in the Strategic Housing Investment Plan (SHIP), and will require to be reflected in Health and Social Care Moray's Strategic Plan and Housing Contribution Statement.

- 3.4 On 20 November 2018, this Committee approved a draft RRTP which was subsequently submitted to the Scottish Government by the required deadline of 31 December 2018.
- 3.5 On 28 February 2019, the Council received a feedback report from the Scottish Government, which made suggestions for improvement which included provision of costings for the measures included in the plan and clarification of mitigation measures included in the Equality Impact Assessment. The RRTP has been amended and enhanced in the light of this feedback.

4. Development of the Rapid Rehousing Transition Plan (RRTP)

- 4.1 The RRTP reiterates that Moray Council will continue to implement its Housing Options approach and prevent homelessness wherever possible. Where homelessness cannot be prevented, the Council would implement its Rapid Rehousing Transition Plan where appropriate. This means that homeless households would get:
- A settled, mainstream housing outcome as quickly as possible;
 - Time in any form of temporary accommodation kept to a minimum;
 - Where temporary accommodation is required, the optimum type is mainstream, furnished and within a community.
- 4.2 The RRTP sets out priorities for the next 5 years. It is available at http://www.moray.gov.uk/moray_standard/page_1917.html. The priorities are:
- i. Vulnerabilities/Support/Housing First/Housing Options
 - ii. Reconfiguring temporary Accommodation
 - iii. Provision of permanent accommodation
- 4.3 Section 9 of the RRTP emphasises the need for partnerships to be developed and enhanced primarily with Health and Social Care Moray and 3rd Sector Organisations to ensure success.
- 4.4 Delivery of the modelled shortfall of 127 units of secure accommodation for homeless households will be delivered in Year 1 through a combination of:
- i. Increased Moray Council allocations quota for Homeless List applicants
 - ii. Fast track health and housing assessments
 - iii. Reducing the number of households occupying temporary accommodation
 - iv. Reducing evictions in all tenures
 - v. Provision of housing support targeted towards increased tenancy sustainment

The Committee should note that the scale of the impact of measures ii., iii. and v. will be dependent on the outcome of the Council's RRTP funding bid.

- 4.5 The RRTP Action Plan provides 5 year costings for delivery, which constitutes a funding bid submission to the Government. The details are:

| Implementation Year | Financial year | Bid submission |
|---------------------|----------------|----------------|
| YEAR 1 | 2019/20 | £182,657 |

| | | |
|--------------|---------|-------------------|
| YEAR 2 | 2020/21 | £597,037 |
| YEAR 3 | 2021/22 | £598,051 |
| YEAR 4 | 2022/23 | £597,037 |
| YEAR 5 | 2023/24 | £597,037 |
| Total | | £2,571,819 |

- 4.6 The Bid submission includes funding for an additional Housing Occupational Therapist; additional housing support workers; a Homelessness Policy Officer; an enhanced family mediation service; a basic furniture service and compensation for void rent loss associated with provision of a Housing First model. Much of the activity proposed in the Action Plan does not form part of the bid submission. Officers believe this funding bid to be modest and proportionate. At the time of writing, the Scottish Government's response to the second RRTP and funding bid was pending.
- 4.7 Progress on the Plan will be reported to this Committee as part of each LHS Annual Review.

5. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The Local Housing Strategy focuses on a set of outcomes that contribute to the achievement of the Council's wider strategic aims and priorities, in particular meeting statutory obligations to homeless households.

(b) **Policy and Legal**

From 31 December 2012 the priority need test for homeless households was abolished. As a result, from this date, all unintentionally homeless households are entitled to settled accommodation.

The Scottish Social Housing Charter sets out standards against which the Scottish Housing Regulator will assess local authorities as part of its inspection regime.

(c) **Financial implications**

The financial implications associated with the implementation of the RRTP are dependent on the outcome of the Council's bid for Scottish Government funding, which is awaited. The RRTP Action Plan will be reviewed annually. This review will include a review of the financial implications at that time.

(d) **Risk Implications**

There are no risk implications arising directly from this report.

(e) **Staffing Implications**

The staffing implications associated with the implementation of the RRTP are dependent on the outcome of the Council's bid for Scottish Government funding, which is awaited. The RRTP Action Plan will be reviewed annually. This review will include a review of the staffing implications at that time.

(f) Property

There are no property requirements/implications arising directly from this report.

(g) Equalities/Socio Economic Impact

The housing needs of equalities groups are identified in the Local Housing Strategy (LHS). A RRTP Equalities Impact Assessment has been developed and published.

The increase in the Allocations Policy quota for Homeless List applicants is necessary in order to meet the urgent housing needs of statutorily homeless people. The increase is modest to achieve an appropriate balance between the Homeless List and Waiting/Transfer List applicants, which include older people, people with a disability, and children living in overcrowded households.

(h) Consultations

Consultation on this report has taken place with the Corporate Director (Economic Development, Planning and Infrastructure), the Acting Head of Housing and Property, the Head of Community Care, the Housing Needs Manager, the Housing Operations Manager, Deborah O'Shea (Principal Accountant), Legal Services Manager, Equal Opportunities Officer, Tracey Sutherland (Committee Services Officer) and any comments have been incorporated into the report.

6. CONCLUSION

6.1 This report advises the Committee of the submission of a revised Rapid Rehousing Transition Plan to the Scottish Government, in accordance with required timescales. The submission also included a revised, costed Action Plan which forms a Scottish Government Funding Bid.

Author of Report: Fiona Geddes, Acting Housing Strategy and Development Manager
Background Papers: with author
Ref:



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

SUBJECT: ASSIGNATIONS POLICY REVIEW

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 This report provides the Communities Committee with an update on the requirement to review the Assignations Policy in preparation for the commencement of the outstanding provisions of Part 2 of the Housing (Scotland) Act 2014. It presents a revised Assignations Policy for approval prior to public consultation.
- 1.2 This report is submitted to Committee in terms of Section III (G) (4) of the Council's Scheme of Administration relating to the allocation and letting of houses and homelessness.

2. RECOMMENDATION

- 2.1 It is recommended that the Communities Committee:
 - (i) notes the requirement to change the Assignment Policy as set out in Section 4;
 - (ii) approves the revised Assignment Policy prior to a consultation to seek the views of tenants and stakeholders as set out in Section 5; and
 - (iii) agrees that this Committee will consider the consultation responses at its meeting in August 2019.

3. BACKGROUND

- 3.1 The Housing (Scotland) Act 2001 (Section 32) provides tenants with the right to assign their tenancy provided that they obtain their landlord(s) written consent. Assignment is where a tenant passes on (assigns) their tenancy and tenancy rights to another person (known as the assignee). The proposed assignee must occupy the house as their only principal home for six months immediately preceding the tenant's formal application to assign.

- 3.2 The Assignations Policy was approved by the Housing Sub Committee on 27 March 2009 (paragraph 5 of the Minute refers). The Policy sets out the framework for considering requests to assign a tenancy, including the assessment process, grounds for when consent would be granted and grounds considered reasonable for refusing consent. It assists the Council to address housing need and make best use of its stock.
- 3.3 On 5 February 2019, Communities Committee was advised that changes would require to be made to the Assignations Policy in advance of the commencement of Section 12 the Housing (Scotland) Act 2014 on 1 November 2019 (paragraph 11 of the Minute refers).

4. LEGISLATIVE CHANGES

- 4.1 The primary legislation governing assignations is contained within Section 32 and Schedule 5, Part 2 of the Housing (Scotland) Act 2001. Section 12 of the Housing (Scotland) Act 2014 amends Section 32 of the Housing (Scotland) Act 2001 by making the following changes:
- the house must have been the tenant's only or principal home during the 12 months immediately before the tenant applies for written permission to pass their tenancy to someone else (previously there was no qualifying period);
 - the person the tenant wishes to pass their tenancy to must have lived at the property as their only or principal home for the 12 months before they apply (previously the qualifying period was six months); and
 - the tenant, joint tenant or person they wish to assign their tenancy to must have notified the landlord that the person they wish to assign the tenancy to is living in the house. The 12 month period does not start unless the landlord has been notified that the person is living in the property as their only or principal home.
- 4.2 The amended legislation provides two additional grounds for reasonable refusal of consent:
- where the landlord would not give the person the tenant wishes to pass the tenancy to reasonable preference under their allocations policy; and
 - where, in the landlord's opinion, the assignation would result in the home being under occupied.
- 4.3 In accordance with the Housing (Scotland) Act 2014 (Commencement No. 8, Savings, Transitional and Supplemental Provisions) Order 2018 and subject to parliamentary scrutiny, the coming into force date for section 12 of the 2014 Act (relating to assignations) is 1 November 2019.
- 4.4 The Scottish Government has developed guidance and training packs to assist landlords to implement the legislative changes.
- 4.5 In preparation for the legislative changes, the Council wrote to every tenant in October 2018, to advise them of the forthcoming legislative changes and to reinforce the importance of keeping the Council updated on their household details. Any person who has since become a Council tenant has been informed of these requirements as part of the tenancy sign up process.

4.6 A revised Assignations Policy is attached as **APPENDIX I**.

5. CONSULTATION

5.1 Although most of the changes being made are due to legislative requirements, in accordance with good practice, it is proposed that a consultation exercise is undertaken, providing tenants and other relevant stakeholders with the opportunity to provide feedback.

5.2 The consultation process will involve:

- publication of the Assignment Policy, along with an easy to read policy, on the Council website;
- developing an online survey available on the Council's website and publicising it across the Council's social media platforms;
- contacting relevant stakeholders and requesting feedback, including:
 - Moray Council tenants;
 - a random sample of housing list applicants;
 - Register of Interested Tenants;
 - Moray Tenant's Forum;
 - Moray Equalities Forum;
 - Community Councils and other relevant stakeholders.

5.3 The consultation feedback will inform the policy development process. Following analysis and consideration of comments received a revised Assignations Policy will be brought back to this Committee in August 2019 for consideration.

6. FUTURE ACTION

6.1 In order to ensure compliance with the requirements of the Housing (Scotland) Act 2014, housing operational procedures will be reviewed, to take into account the changes. There may also be some amendments required to housing management ICT systems.

6.2 A review of all information resources will be required to ensure all information is updated to reflect the agreed changes. This will include updating:

- application forms and documents used to support and implement the assignment process; and
- all website and explanatory information, such as leaflets and guidance, used to explain the process to tenants and service users.

6.3 The Council will ensure that staff training is provided on the legislative and policy changes in advance of the commencement date.

6.4 The Council will continue to advise current and future tenants of the changes being made via the Council website, social media and the Tenants' Voice.

7. SUMMARY OF IMPLICATIONS

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Moray 2027 and the Service Plan identify the need to address the shortage of affordable housing and tackle homelessness. The Assignations Policy seeks to make the best use of the Council's housing stock and promote healthier citizens and adults living healthier, sustainable independent lives safeguarded from harm.

(b) Policy and Legal

The Housing (Scotland) Act 2014 received Royal Assent on 1 April 2014. It amends some aspects of the law on social housing allocations and management. The Council is required to review its Assignations Policy in order to comply with the legislative changes.

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications

There are no risk implications arising from this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts arising from this report.

(h) Consultations

Consultation on this report has taken place with the Acting Head of Housing and Property, Housing Needs Manager, Housing Services Manager and Officers within the Housing Service, Fiona Geddes (Acting Housing Strategy and Development Manager), Deborah O'Shea (Principal Accountant), Kathryn MacPherson (Senior Solicitor), Don Toonen (Equal Opportunities Officer) and Caroline Howie (Committee Services Officer) and any comments received have been incorporated into the report.

8. CONCLUSION

- 8.1 This report provides the Communities Committee with an overview of the legislative changes which require the Council's Assignations Policy to be reviewed and updated. A progress report, including the outcome of the consultation process and final Assignment Policy, will be presented to this Committee in August 2019.**

Author of Report: Gillian Henly, Senior Housing Officer (Policy)

Background Papers: Assignment Policy (27 March 2009 – Housing Sub Committee)
Housing (Scotland) Act 2014 Progress Report (5 February 2019)

Ref: ASSGNPOL2019



MORAY COUNCIL

Housing and Property Services

Assignment Policy

1. Scope of the Policy

- 1.1 This policy details the activities and responsibilities involved in facilitating the assignment of a tenancy. Assignment is where a tenant assigns (passes on) their tenancy to another person, known as an assignee. There is no new tenancy, but the rights and responsibilities associated with the tenancy are passed on to the assignee.

2. Strategic context

- 2.1 The Assignment Policy will assist the Council to meet the aims and priorities of its Local Housing Strategy 2019 – 2024, Moray 2027 and Corporate Plan. In particular it will assist the Council to achieve its strategic objective to improve access to housing and alleviate housing need in Moray. The Assignment Policy will also assist the Council to make the best use of its housing stock.

3. Objectives and Principles of the Policy

- 3.1 The overall aim of the Moray Council's Assignment Policy is to assist the Council to meet housing need in Moray.
- 3.2 The specific objectives of the Policy are:
- that assignments are completed in a transparent accountable and consistent manner, which comply with relevant legislation and good practice;
 - to make best use of the housing stock available and consider housing need and demand; and
 - that the Council will refuse assignments that do not comply with the above objective.

3.3 The principles underpinning the Policy are:

- the Council will implement detailed procedures and agreed practices uniformly across the service;
- staff training is provided to ensure that staff are equipped to carry out the roles expected of them; and
- communication with tenants and service users is in “plain language” and will make clear who the appropriate officer is to contact in the case of queries.

4. Legal framework

4.1 The primary legislation governing assignments is contained within Section 32 and Schedule 5, Part 2 of the Housing (Scotland) Act 2001 as amended by Section 12 of the Housing (Scotland) Act 2014. This provides every Scottish secure tenant and short Scottish secure tenant with the right to assign their tenancy as long as:

The tenant:

- has lived in the house as their only or principal home for 12 months immediately before applying to assign the tenancy; and
- has the written consent of the landlord.

The assignee:

- is over 16 years of age; and
- has lived in the house as their only or principal home for 12 months or more prior to the application to assign the tenancy.

The 12 month residency period will only start when the Council has been notified that the person is living in the property as their only or main home.

4.2 In line with the above legislation:

- tenants cannot assign their tenancy without first obtaining the Council's written consent;
- the Council can only refuse such request if there are reasonable grounds for refusal;

- if the Council fails to respond to a request to assign a tenancy within one month of the receipt of the application, consent is automatically deemed given.

In the case of short Scottish secure tenants, the right to assign the tenancy is limited to the period of the short Scottish secure tenancy.

- 4.3 The Council will ensure that any information given to it as part of the application process will be used in accordance with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018.
- 4.4 The Assignations Policy will adhere to housing and other relevant legislation. In addition to housing legislation detailed in 4.1, this includes, but is not restricted to the following:
- The Housing (Scotland) Act 1987
 - The Human Rights Act 1998
 - The Data Protection Act 2018
 - The Housing (Scotland) Act 2001
 - The Housing Scotland Act 2014
 - The Equality Act 2010
 - The Matrimonial Homes (Family Protection) (Scotland) Act 1981
 - Marriage and Civil Partnership (Scotland) Act 2014

5. Equality and diversity

- 5.1 The Council is committed to preventing discrimination and promoting equality of opportunity for every person who applies for housing. The Council seeks to ensure that the Policy does not discriminate between individuals on the grounds of age, sex, disability, gender reassignment, marital status/civil partnership, pregnancy and maternity, race, religion or belief and sexual orientation.
- 5.2 The Council will develop information and advice in a variety of formats such as large print, tape and Braille, upon request. The Council will provide

interpreting services free of charge, where these are required to assist applicants.

6. Principal home

6.1 The requirement that the property be the assignee's only or principal home does not mean that they must reside there all of the time. It is possible that there will be periods of time spent away from the home which does not prevent the property being someone's only or principal home. An assignee will still be regarded as occupying their home even if they are temporarily absent if:

- there are physical signs of their presence in the home; and
- they effectively demonstrate an intention to return to the property.

7. Application and assessment process

7.1 The Council will assess each application to assign a tenancy on its own merits.

7.2 Tenants who wish to assign their tenancy must have informed the Council that the person they wish to assign the tenancy to is living in the house. The person must have been living there for 12 months prior to the application. The 12 month period does not start unless the Council has been notified that the person is living in the property as their only or principal home (Housing (Scotland) Act 2014 Section 12 (2b)).

7.3 Tenants who wish to assign their tenancy must apply to the Council in writing. Any tenant who wishes to assign their tenancy must provide the Council with the following information:

- that the tenant wishes to assign their tenancy;
- the address of their property;
- specific details relating to the assignee:
 - name;
 - how long they have lived with the tenant;

- any absences during previous 12 month period (including lengths and reason for absence);
- the date of the proposed assignation; and
- details of any payment that the tenant may receive if the assignation is granted.

- 7.4 The proposed assignee will be requested to complete a housing application form (if they have not already done so). This will be assessed in accordance with the Allocations Policy to determine the extent of their housing need. Before consent will be granted, the assessment must demonstrate that the proposed assignee has a significant housing need in contrast with others on the Housing List. Where the person is deemed not to be in housing need, the application may be refused.
- 7.5 Where appropriate, tenancy references may be sought in the same way as for any other housing applicant and in accordance with the Allocations Policy.
- 7.6 Each application to assign a tenancy will be assessed to take into account the following:
- the level of housing need that the proposed assignee has;
 - the demand for housing in the letting area of the tenancy;
 - the suitability of the property; and
 - whether the assignation will lead to the property being under occupied or overcrowded.
- 7.7 If the tenant applying to assign the tenancy is a joint tenant, they are required to obtain the consent of the other joint tenant(s). If the consent is not obtained, the tenancy may not be assigned.
- 7.8 If the property to be assigned is the matrimonial or family home, the rights of occupation of the spouse or civil partner may be affected by the assignation. Where the consent of the spouse is required the tenant who wishes to assign

the tenancy should endeavour to obtain it from their partner. If the consent is not available, the tenancy may not be assigned.

8. Notification of decision

- 8.1 The Council will notify the tenant of its decision in writing within one month of receipt of the application to assign the tenancy. In accordance with Schedule 5, Part 2 (13) of the Housing (Scotland) Act 2001, if a decision is not given within this timescale, consent is automatically deemed granted.
- 8.2 Where consent has been refused the Council will advise the tenant of the reasons for refusal, what action should be taken to address the reasons for refusal and the tenant's rights to appeal the decision (refer to Section 11).

9. Consent

- 9.1 The application to assign a tenancy may be granted when:
- the proposed assignee's housing application, once assessed in line with the Allocations Policy, demonstrates that the proposed assignee is in housing need; and
 - that by assigning the tenancy, the Council will be alleviating housing need and demand in the area.
- 9.2 When permission to assign the tenancy is granted, the tenancy does not end and a new tenancy does not begin. The tenancy continues. No new tenancy agreement is required. It is the tenant who changes.
- 9.3 The assignee will be asked to attend a meeting to discuss the content of the tenancy agreement and make them aware of their rights and responsibilities in relation to the tenancy.
- 9.4 The new tenant will take on all the rights and responsibilities associated with the tenancy, including any outstanding housing debt. The former tenant will no longer be liable for any outstanding housing debt and will not be pursued for debt recovery.

9.5 It is the responsibility of the tenants to advise other relevant authorities and services providers of the assignation arrangements.

10. Refusal of consent

10.1 In line with the Housing (Scotland) Act 2001, the Council cannot unreasonably withhold consent when a tenant applies to assign their tenancy.

10.2 The Council can only refuse a request to assign a tenancy where there are reasonable grounds for refusal. Reasonable grounds, as specified by Section 32 of the Housing (Scotland) Act 2001 (as amended by the Housing (Scotland) Act 2014) include the following examples:

- where the proposed assignee would not receive reasonable preference under the terms of the Allocations Policy;
- where the Council believe that the change in the household will result in the property being under occupied (in line with the Allocations Policy);
- a notice of proceedings for possession has been served on the tenant in line with Section 14 (2) of the Housing (Scotland) Act 2001 which specifies any of the 'conduct' grounds for eviction set out in Schedule 2;
- an order for recovery of possession has been made against the tenant under Section 16 (2) of the Housing (Scotland) Act 2001;
- it appears that the tenant is to receive a payment for the assignation which is other than reasonable;
- where the assignation would lead to overcrowding as defined by the section 139 of Housing (Scotland) Act 1987; or
- the landlord proposes to carry out work on the house or building which would affect the accommodation in question.

10.3 The grounds for refusal taken from legislation are not exhaustive. There is no definitive list of grounds for refusal and each case will be assessed on its own merits. Other factors which may be considered include:

- whether or not the transaction is for unreasonable financial gain;

- where the tenant has housing related debt and there is a risk that this will not be repaid to the Council;
- where the house was designed or adapted for persons with special needs and if the assignation were allowed, there would be no person living in the house who required those designs or adaptation;
- where the proposed assignee has pursued a course of antisocial conduct, or has been convicted of using a previous tenancy for illegal or immoral purposes. Or has had an interim or full ASBO granted against them or a member of their household within the last three years;
- where the proposed assignee does not require accommodation of the type, size or standard that is proposed to be assigned;
- whether the assignation is deliberately intended to circumvent the Allocations Policy. The Council will complete an assessment of the assignee's housing need. Where the applicant is deemed not to be in housing need, the application may be refused.

11. Appeals

- 11.1 If an application to assign a tenancy is refused, the tenant may appeal in writing, in the first instance, to the Housing Services Manager who will review the original decision.
- 11.2 The Housing Services Manager will notify the tenant of the outcome of the review within 4 weeks of receiving the appeal request.
- 11.3 If the tenant is not satisfied with the outcome, the tenant has the right to raise legal proceedings by way of summary application to the Sheriff Court within 21 days. The Council will advise the tenant of this right and advise the tenant to seek independent legal advice.

12. Review of Policy

- 12.1 This policy will be reviewed in 2022, unless an earlier review is required due to legislative changes.



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

SUBJECT: ALLOCATIONS POLICY ANNUAL PERFORMANCE REPORT 2018/19

BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE)

1. REASON FOR REPORT

- 1.1 To inform the Committee of the performance of the Council's Allocations Policy during 2018/19.
- 1.2 This report is submitted to Committee in terms of Section III (G) (4) of the Council's Scheme of Administration relating to the allocation and letting of housing.

2. RECOMMENDATION

2.1 It is recommended that the Communities Committee:-

- i) considers and notes the performance identified within the report; and
- ii) agrees the allocations quotas for 2019/20 detailed at Paragraph 5.4 of this report.

3. BACKGROUND

- 3.1 This Committee has considered performance monitoring information on the operation of its Housing Allocation Policy annually since 2005. The most recent report was presented to this Committee on 26 June 2018 (paragraph 7 of the minute refers).
- 3.2 This Committee approved Moray's Local Housing Strategy (LHS) 2019-2024 on 2 April 2019 (paragraph 6 of the draft minute refers). The LHS sets out the Council's approach to addressing housing need and homelessness, property condition and fuel poverty. The operation of the Allocations Policy is a key factor in the delivery of LHS outcomes.
- 3.3 This Committee approved a revised Allocations Policy on 5 February 2019 (paragraph 9 of the minute refers) for implementation on 1 May 2019.

4. ANALYSIS OF HOUSING LIST ALLOCATION AND DEMAND TRENDS

- 4.1 Statistical information on the operation of the policy is presented in **APPENDIX I** and shows:
- 4.2 **Table 1** provides details of the housing list for the last 5 years. This shows that the total number of households on the Homeless List has remained relatively stable over the last 5 years, but there has been a significant reduction in the Waiting List total and an increase in the Transfer List. The upward trend in Transfer List applications is most likely due to the new build housing programme with its emphasis on accessible housing and larger family accommodation.
- 4.3 **Table 2** details the size and type of housing required by applicants on the housing list. Over the past 5 years, there have been significant increases in demand for amenity/accessible housing. This is consistent with the projected demographic changes in Moray and the ageing population. Demand for sheltered housing has remained almost unchanged despite demographic changes.
- 4.4 **Table 3** provides summarised information on the 1st area preferences of current housing list applicants. It shows that area preferences are broadly in proportion to the number of dwellings (all tenures) in each Housing Market Area.
- 4.5 Applicants who apply for housing are able to state where they want to live. This allows them the choice of any, or all, of the 63 lettings areas across Moray. Often these choices are driven by urgency and availability, rather than a desire to live in a particular area. To support the overall strategic process, applicants are asked separately to state their 1st, 2nd and 3rd areas of preference (i.e. where they would ideally choose to live). This 2nd strategic question is the source used to inform the Council's approach to delivery of new affordable housing across geographical areas, and is reflected in the Strategic Housing Investment Plan (SHIP).
- 4.6 **Table 4** provides details of the number of re-lets from Council stock in 2018/19. When this is compared to the housing list as at 31 March 2019, it shows that there were 8 applicants on the list per re-let (8:1) during 2018/19. However this pressure varies greatly across house types and sizes:
- 1 bed general needs (34:1);
 - 2 bed general needs (5:1); and
 - 4 bed (22:1).
- 4.7 The table also shows that there is no evidence of significant migration between Housing Market Areas.
- 4.8 **Table 5** shows that there has been a general downward trend in relets, but this has stabilised over the last 3 years. Reducing numbers of vacancies could compromise the Council's ability to successfully delivery its Rapid Rehousing Transition Plan.

5. ALLOCATIONS QUOTAS FOR THE HOUSING LIST

- 5.1 The housing list consists of three separate lists (waiting, transfer and homelessness). The Homeless List includes those who have been assessed as statutorily homeless, the Waiting List consists of applicants who are waiting for a council house, and includes current Registered Social Landlords (RSL) tenants; and the Transfer List of those who are current Council tenants and who need or want to move. The ratio of allocations to be made to each list is determined annually by the Communities Committee.
- 5.2 **Table 6** shows the proportion of allocations made to applicants from the 3 housing lists, over the last 5 years. The quota of allocations to the Homeless List has been 40% (+/-5%) for many years. This quota was exceeded in 2016/17 and 2017/18, but was achieved during 2018/19. The Head of Housing and Property approved the higher quotas for homeless households in an effort to reduce pressures on temporary accommodation and to minimise the use of bed and breakfast accommodation.
- 5.3 In December 2018, this Committee considered the first iteration of its Rapid Rehousing Transition Plan which aims to minimise the use of temporary accommodation and provide permanent housing options to homeless households as quickly as possible (Paragraph 6 of the Minute refers). The Homeless List quota proposed below is intended to strike an appropriate balance between the need to implement the Rapid Rehousing Transition Plan, and the need to minimise any unintended consequences of increased quota, i.e. that the Homeless List would significantly increase as this would be seen by many applicants as the quickest route into permanent housing. The Rapid Rehousing Transition Plan, which includes an Equality Impact Assessment, is the subject of a separate report on this agenda.
- 5.4 Historically this Committee has taken a pragmatic view and agreed quotas intended to strike an acceptable balance between all three applicant groups. The following quotas proposed for 2019/20 are:

| List | Target | Tolerance |
|---------------|--------|-----------|
| Homeless List | 50% | +/-5% |
| Waiting List | 32% | +/-5% |
| Transfer List | 18% | +/-5% |

6. NEW BUILD LETTINGS PLAN

- 6.1 The new build lettings plan was introduced in 2015. The Plan sets out how the Council will deviate from the Allocations Policy in identifying the first tenant in new build houses, with the aim of establishing successful, sustainable new communities, and this includes deviation from Housing List quotas. **Table 7** shows there were 68 Council new build completions during 2018/19. **Table 8** shows the proportions of allocations from each List, and that 32% of new lets were allocated to Transfer List applicants.

7. SUMMARY OF IMPLICATIONS

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Moray 2027 and the Service Plan identify the need to address the shortage of affordable housing and tackle homelessness. The Allocations Policy seeks to make the best use of the Council's housing stock and promote healthier citizens and more people living well in their communities.

(b) Policy and Legal

The Housing (Scotland) Act 2001 amends the 1987 Act and requires councils to provide a minimum of temporary accommodation, advice and assistance to all applicants assessed as homeless, regardless of whether they have been assessed as being in priority need. From 31 December 2012 the priority need test for homeless households was abolished, and as a result, all unintentionally homeless households are entitled to settled accommodation.

The Scottish Social Housing Charter sets out standards against which the Scottish Housing Regulator will assess local authorities as part of its inspection regime.

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications

There are no risk implications arising from this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no impacts in relation to equal opportunities or the socio-economic duty as the purpose of the report is to inform Committee on performance.

(h) Consultations

Consultation on this report has taken place with the Acting Head of Housing and Property, Housing Needs Manager, Housing Services Manager, Deborah O'Shea (Principal Accountant), Equal Opportunities Officer, Legal Services Manager (Property and Contracts) and Tracey Sutherland (Committee Services Officer). Any comments have been incorporated into the report.

8. SUMMARY OF IMPLICATIONS

- 8.1 This report presents the annual review of the operation of the Council's Housing Allocations Policy. It also presents proposed allocations quotas for 2019/20. The quotas proposed are intended to complement implementation of the Rapid Rehousing Transition Plan.**

Author of Report: Fiona Geddes, Acting Housing Strategy and Development
Manager
Background Papers: with author
Ref:

Table 1: No of applicants on the Housing List at year end

| List | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Change since 2014/15 (No) | Change since 2014/15 (%) |
|----------------------|--------------|--------------|--------------|--------------|--------------|---------------------------|--------------------------|
| Homeless List | 118 | 133 | 141 | 112 | 121 | 3 | 2.5% |
| Housing Waiting List | 3,077 | 2,855 | 2,895 | 2,434 | 2,474 | -603 | -19.6% |
| Transfer List | 461 | 469 | 550 | 521 | 552 | 91 | 19.7% |
| Total | 3,656 | 3,457 | 3,586 | 3,067 | 3,147 | -509 | -13.9% |

Table 2: Size and type of property sought by applicants at year end

| Property size and type | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Change since 2014/15 (No) | Change since 2014/15 (%) |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------------------|--------------------------|
| 1 bed general needs | 1,565 | 1,478 | 1,471 | 1,210 | 1,250 | -315 | -20.1% |
| 1 bed amenity/ wheelchair accessible | 335 | 329 | 363 | 325 | 345 | 10 | 3.0% |
| 2 bed general needs | 831 | 768 | 782 | 701 | 681 | -150 | -18.1% |
| 2 bed amenity/ wheelchair accessible | 130 | 120 | 142 | 108 | 125 | -5 | -3.8% |
| 3 bed general needs | 498 | 455 | 500 | 437 | 456 | -42 | -8.4% |
| 3 bed amenity/ wheelchair accessible | 30 | 43 | 51 | 27 | 34 | 4 | 13.3% |
| 4 bed general needs | 164 | 159 | 166 | 146 | 154 | -10 | -6.1% |
| 4 bed amenity/ wheelchair accessible | 7 | 1 | 7 | 13 | 3 | -4 | -57.1% |
| 5+ bed all types | 36 | 45 | 36 | 42 | 42 | 6 | 16.7% |
| sheltered | 60 | 59 | 68 | 58 | 57 | -3 | -5.0% |
| Total | 3,656 | 3,457 | 3,586 | 3,067 | 3,147 | -509 | -13.9% |

Table 3: Where applicants wish to live – 1st Area Preference as at 31 March 2019

| List | Buckie HMA | Elgin HMA | Forres HMA | Keith HMA | Speyside HMA | Cairngorms HMA | Total |
|---------------------------------------|------------|-----------|------------|-----------|--------------|----------------|--------|
| Homeless List | 20 | 74 | 21 | 3 | 3 | | 121 |
| Transfer List | 126 | 302 | 62 | 27 | 31 | 4 | 552 |
| Housing Waiting List | 367 | 1377 | 416 | 145 | 138 | 31 | 2,474 |
| Total | 513 | 1,753 | 499 | 175 | 172 | 35 | 3,147 |
| | 16.3% | 55.7% | 15.9% | 5.6% | 5.5% | 1.1% | 100.0% |
| % dwellings (Source: HNDA Appendix 2) | 16.8% | 47.6% | 18.0% | 8.3% | 8.0% | 1.2% | 100% |

Table 4: Re-lets by property size and type 2018/19 (secure tenancies only)

| Property size and type | Buckie HMA | Elgin HMA | Forres HMA | Keith HMA | Speyside HMA | Cairngorms HMA | Total | ratio/ relative pressure (lets vs demand) |
|---------------------------------------|------------|-----------|------------|-----------|--------------|----------------|--------|---|
| Bedsit | 2 | | 1 | | | | 3 | n/a |
| 1 bed general needs | 6 | 17 | 5 | 4 | 4 | | 36 | 34.7 |
| 1 bed amenity/ wheelchair accessible | 15 | 47 | 10 | 10 | 13 | 0 | 95 | 3.6 |
| 2 bed general needs | 30 | 49 | 20 | 16 | 6 | 2 | 123 | 5.5 |
| 2 bed amenity/ wheelchair accessible | 3 | 14 | 6 | 4 | 7 | | 34 | 3.7 |
| 3 bed general needs | 12 | 20 | 5 | 12 | 1 | | 50 | 9.1 |
| 3 bed amenity/ wheelchair accessible | 1 | 2 | 1 | 2 | 0 | 1 | 7 | 4.9 |
| 4 bed all types | 2 | 4 | 1 | | | | 7 | 22.4 |
| 5+ bed all types | 2 | | | | | | 2 | 21.0 |
| sheltered | 6 | 8 | 6 | | | | 20 | 2.9 |
| Total | 79 | 161 | 55 | 48 | 31 | 3 | 377 | 8.3 |
| | 21.0% | 42.7% | 14.6% | 12.7% | 8.2% | 0.8% | 100.0% | |
| % dwellings (Source: HNDA Appendix 2) | 16.8% | 47.6% | 18.0% | 8.3% | 8.0% | 1.2% | 100% | |

Table 5: Rate of relets to Council stock (turnover) (new lets excluded)

| Council stock | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| Council stock | 5,993 | 6,062 | 6,016 | 6,053 | 6,122 |
| No of relets | 399 | 387 | 368 | 371 | 377 |
| Rate of relets | 6.7% | 6.4% | 6.1% | 6.1% | 6.2% |

Table 6: Allocations by Housing list (secure tenancies)(relets and new lets)

| List | 2014/15 | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | |
|----------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Homeless List | 197 | 42.4% | 189 | 39.4% | 212 | 54.9% | 214 | 51.2% | 187 | 42.0% |
| Housing Waiting List | 174 | 37.4% | 193 | 40.2% | 115 | 29.8% | 117 | 28.0% | 149 | 33.5% |
| Transfer List | 94 | 20.2% | 98 | 20.4% | 59 | 15.3% | 87 | 20.8% | 109 | 24.5% |
| Total | 465 | 100.0% | 480 | 100.0% | 386 | 100.0% | 418 | 100.0% | 445 | 100.0% |

Table 7: Moray Council new build completions 2018/19 (new lets)

| House type | Buckie HMA | Elgin HMA | Forres HMA | Keith HMA | Speyside HMA | Cairngorms HMA | Total | |
|-------------------------------------|---------------|--------------|---------------|--------------|-----------------|-------------------|-----------|---------------|
| 1 bed general needs | | 6 | 12 | | | | 18 | 26.5% |
| 2 bed amenity/wheelchair accessible | | 13 | 18 | | | | 31 | 45.6% |
| 3 bed general needs | | 5 | | | | | 5 | 7.4% |
| 3 bed amenity/wheelchair accessible | | 3 | | | | | 3 | 4.4% |
| 4+ bed all types | | 9 | 2 | | | | 11 | 16.2% |
| Total | 0 | 36 | 32 | 0 | 0 | 0 | 68 | 100.0% |

Table 8: Moray Council new lets 2018/19

| List | No | % |
|----------------------|-----------|---------------|
| Homeless List | 18 | 26.5% |
| Housing Waiting List | 28 | 41.2% |
| Transfer List | 22 | 32.4% |
| Total | 68 | 100.0% |



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

SUBJECT: THE AFFORDABLE HOUSING PROGRAMME IN MORAY

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of progress on the Affordable Housing Investment Programme in Moray.
- 1.2 This report is submitted to Committee in terms of Section III G (10) Council's Scheme of Administration relating to the preparation and implementation of strategic housing plans.

2. RECOMMENDATION

2.1 It is recommended that the Communities Committee:-

- i) **considers and notes the outturns on the Moray Affordable Housing Supply Programme 2018-19;**
- ii) **considers and notes the Moray Resource Planning Assumption for 2019/20 and 2020/21;**
- iii) **considers and notes the draft Moray Strategic Local Programme 2019/20 programme;**
- iv) **considers and notes progress on the implementation of the Bilbohall masterplan; and**
- v) **agrees that further reports on programme progress will be presented to this Committee.**

3. BACKGROUND

- 3.1 The Council receives an annual resource allocation from the Scottish Government to fund the supply of new affordable housing in Moray. The Council's Strategic Housing Investment Plans (SHIP) determines how this funding will be used to plan and deliver the affordable housing priorities of the Local Housing Strategy. The investment and project priorities set out in the SHIP form the basis of an annual Strategic Local Programme Agreement

between the Council and the Scottish Government. The agreement details the projects that will be funded during the year, the affordable housing developers who will deliver them, the targets for grant expenditure and the milestones by which progress on delivery will be measured. The Council and Registered Social Landlords (RSLs) are the principal developers of affordable housing in Moray.

- 3.2 On 26 June 2018, the Communities Committee approved the Council's Strategic Local Programme Agreement for 2018/19, and agreed that the Council could progress procurement of consultants to develop a planning application for houses and infrastructure within the Bilbohall Masterplan area (paragraph 15 of the Minute refers).
- 3.3 On 5 February 2019, the Communities Committee approved the Council's SHIP for submission to the Scottish Government (paragraph 6 of the Minute refers).

4. MORAY STRATEGIC LOCAL PROGRAMME 2018/19

- 4.1 The outturns for the 2018/19 programme are provided at **APPENDIX I**.
- 4.2 At year-end, outturn spend was £6.195m (78%) against the Grant Planning Target (GPT) of £7.983m.
- 4.3 During 2018/19 the programme achieved 90 completions against a target of 93 completions.
- 4.4 During the course of the year, significant adjustments were made to the programme with spend opportunities being brought forward to compensate for slippage on other projects. In the Council's programme, the projects subject to the greatest slippage were Elgin South Phase 1, Stynie Road, Mosstodloch and Banff Road, Keith. Stynie Road, Mosstodloch has been subject to a protracted design process to ensure that the proposals met the Council's requirements and complied with local planning policy. Construction is expected to commence in July 2019. Banff Road, Keith has been subject to a redesign following viability concerns. This resulting in a revised planning application due for determination later this year, with a site start thereafter. The delays at Elgin South Phase 1 were associated with a revised Section 75 Agreement and the discharge of key planning conditions on the wider Elgin South Masterplan area. Construction at Elgin South will commence in June 2019. Phase 1 at Mosstodloch is programmed to start on site in June 2019.
- 4.5 In the RSL programme, the project with the greatest slippage was Findrassie, Elgin where for several years, provision has been made for development of a first phase of affordable housing as part of the wider Findrassie masterplan. Although a developer has been appointed by the landowner, and a partner RSL has been identified, the proposals were not at a sufficiently advanced stage to result in any spend during 2018/19. Other RSL projects where slippage has occurred are Spynie, Elgin (Phase 2) and Bogton, Forres where ongoing contractual negotiations have caused delay.
- 4.6 To compensate for slippage in its programme, the Council brought forward the developments at Forsyth Street, Hopeman and Barhill Road, Buckie, which

are both currently under construction. Osprey Homes' development of 6 units at Archibald Grove, Buckie was a further addition to the programme. However, despite best endeavours, the Council was unable to progress the purchase of programmed sites. NHS Grampian, the vendor of the site at Spynie Hospital was not in a position to complete the sale before year-end and the developer of the site at Speyview, Aberlour had not yet obtained planning consent for the proposals.

5. MORAY STRATEGIC LOCAL PROGRAMME AGREEMENT 2018/19

- 5.1 On 30 April 2019, the Scottish Government wrote to the Council confirming that the Council's Resource Planning Assumption for the 2019/20 Moray affordable programme would be £9.080m. The Government also confirmed a resource allocation of £9.633m for 2020/21.
- 5.2 On 30 April 2019, the Scottish Government issued the Council with a draft Strategic Local Programme Agreement for 2019/20. This was based on the resource allocation of £9.080m. Details of the programme are provided in **APPENDIX II**.
- 5.3 The programme agreement makes provision for the following projects to achieve tender approval during the year:
- Moray Council: Stynie Road, Mosstodloch Phase 1, Banff Road, Keith Phase 1, Bilbohall, and Speyview, Aberlour
- RSL: Findrassie, Elgin Phase 1; Highland Yard, Buckie, Spynie Phase 2, Elgin; and former Bishopmill House, Elgin,
- 5.4 Site purchases at the former Spynie Hospital, Elgin and Taigh Farraiss, Forres have also been included in the 2019/20 programme. A shadow programme of tentative development opportunities has also been identified and includes projects at Findrassie, Elgin; Pinegrove, Elgin and Sunbank, Lossiemouth.
- 5.5 As in previous years, the Moray programme will be delivered by a combination of the Council and the RSLs, Hanover Housing Association, Osprey Homes and Cairn Housing Association.
- 5.6 The carry-over spend from the projects approved before 2019/20 will be £5.407m. This leaves £3.673m for expenditure on new tender approvals, acquisitions and the shadow programme. Total estimated spend on carry-over projects and projects identified for tender approval is £9.951m. The value of projects in the 2019/20 programme exceeds the Resource Planning Assumption but this over-commitment will ensure spend is maximised should any unforeseen slippage occur. The large carry-over of committed spend from previous years will mean that the achievement of target will be less challenging, as there is more certainty in the programme.
- 5.7 In delivering the programme, officers will continue to work with local development partners to progress investment opportunities. The Committee should note, however, that the programme continues to be largely dependent on opportunities provided planning policy H8. This presents an element of programme uncertainty with timescales for key projects being determined by

the plans of partner private housing developers rather than the affordable housing providers themselves. This has been particularly evident for projects in Elgin, a priority area for investment, where, for various reasons, the delivery of affordable housing on the major key sites of Findrassie and Spynie have not come forward within anticipated timescales anticipated. As a contingency against slippage, officers and local development partners will be taking steps to ensure that a sufficient pipeline of alternative development opportunities is available. These will mainly be sites already in the programme.

- 5.8 Progress on programme delivery will be reported to this Committee during 2019/20.

6. BILBOHALL MASTERPLAN

- 6.1 The Scottish Government have provided an approval in principle on Moray Council's Expression of Interest to the Housing Infrastructure Fund. Following this approval, the Bilbohall Consortium have begun procurement of a multi-disciplinary design team with the aim of achieving detailed planning consent for the infrastructure and housing by March 2020 at the latest. It is anticipated that works at Bilbohall will not commence on site until 2020/21.

7. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Addressing the shortage of affordable housing in Moray is a key priority of the Corporate Plan and 10 Year Plan, the Council's Local Housing Strategy and Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan. The Strategic Local Programme reflects priorities for investment in the provision of new affordable housing to meet need identified in the Local Housing Strategy.

The affordable housing programme supports the aims of the 10 Year Plan by providing new affordable housing for an increasing population and a growing and diversifying economy. The target of 70 Council house completions per annum will be delivered within the investment planning and funding framework provided by the programme.

(b) Policy and Legal

The affordable housing supply programme contributes to meeting the Council's statutory duties to address housing need in Moray.

(c) Financial implications

The report provides details of the resources being made available by the Scottish Government to fund affordable housing in Moray.

The Council has agreed that 70 new council houses will be built per annum over the next three years. The Housing Business Plan has made provision for the level of borrowing required to fund the Council's housebuilding programme.

(d) Risk Implications

There are no risk implications arising from this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

The housing needs of equalities groups are identified in the Local Housing Strategy (LHS). The Moray Affordable Housing Programme seeks to deliver the housing priorities contained in the LHS.

(h) Consultations

This report has been subject to wider consultation with the Corporate Director (Economic Development, Planning and Infrastructure), the Acting Head of Housing and Property, the Head of Direct Services, the Head of Development Services, the Legal Services Manager, Deborah O'Shea (Principal Accountant), the Payments Manager, the Principal Planning Officer (Planning & Development), the Transportation Manager and Tracey Sutherland (Committee Services Officer). Any comments received have been reflected in the report.

8. CONCLUSIONS

- 8.1 The report provides an update of progress on the Moray affordable housing programme, including the outturns on the 2018/19 Strategic Local Programme Agreement and details of the 2019/20 programme agreement. The report provides an update of progress on delivery of housing in the Bilbohall Masterplan area.**

| | |
|--------------------|---|
| Author of Report: | Fiona Geddes, Acting Housing Strategy and Development Manager |
| Background Papers: | with author |
| Ref: | |

Moray Strategic Local Programme 2018/19 Outturns

| Project | Agent | No of units | Current status | Target Spend | Outturn Spend |
|------------------------------------|---------------|-------------|--------------------------------|-------------------|-------------------|
| Elgin, Haugh Road | Hanover HA | | Completed Jan 2018 | £89,652 | £89,652 |
| Forres, Ferrylea ph2 | Moray Council | 20 | Completed July 2018 | 0 | £0 |
| Forres, Former Health Centre | Moray Council | 12 | Completed Oct 2018 | £104,807 | £104,807 |
| Elgin, Linkwood Steading Ph2 | Moray Council | 15 | Completed Dec 2018 | 320,976 | £320,976 |
| Elgin, The Driving Range | Moray Council | 21 | Completed Jan 2019 | £310,176 | £310,176 |
| Keith, Deveron Homes extra units | Osprey Homes | 6 | Completed Jan 2019 | £184,544 | £184,544 |
| Elgin, Stonecross | Hanover HA | 16 | Completed Feb 2019 | £720,974 | £720,974 |
| Elgin, Spynie Site | Hanover HA | 44 | Completion expected Oct 2019 | £2,733,514 | £2,733,514 |
| Buckie, Barhill R11 | Moray Council | 28 | Completion expected Jul 2019 | £1,342,000 | £1,342,000 |
| Hopeman | Moray Council | 22 | Completion expected April 2020 | £1,298,000 | £251,794 |
| Buckie, Archibald Grove | Osprey Homes | 6 | Completion expected Oct 2019 | £432,000 | £136,571 |
| Elgin South Ph1 (South Glassgreen) | Moray Council | 50 | Site start expected May 2019 | £2,623,426 | £0 |
| Elgin, Spynie (Robertsons) | Hanover HA | 37 | Site start expected Oct 2019 | £3,272,000 | £0 |
| Total | | 90 | | £7,983,000 | £6,195,008 |

Moray Strategic Local Programme 2019/20

| Project | Agent | No of units | Site Start | Complete | Target Spend |
|------------------------------------|--------------|--------------------|-------------------|-----------------|---------------------|
| Elgin South Ph1 (South Glassgreen) | MC | 50 | 2019/20 | 2020/21 | £1,700,000 |
| Elgin, Spynie (Robertsons) | Hanover | 37 | 2019/20 | 2020/21 | £900,000 |
| Keith, Banff Road Ph1 | MC | 33 | 2019/20 | 2020/21 | £800,000 |
| Buckie, Highland Yard | Hanover | 31 | 2019/20 | 2020/21 | £1,500,000 |
| Mosstodloch | MC | 30 | 2019/20 | 2020/21 | £1,442,000 |
| Hopeman | MC | 22 | 2019/20 | 2020/21 | £1,046,206 |
| Elgin, Bishopmill | Cairn | 9 | 2019/20 | 2020/21 | £648,000 |
| Buckie, Archibald Grove | Osprey | 6 | 2019/20 | 2020/21 | £295,429 |
| Speyview, Aberlour | MC | 32 | 2020/21 | 2021/22 | £320,000 |
| Elgin, Spynie NHS site | MC | tbc | tbc | tbc | £1,100,000 |
| Total | | 250 | | | 9,751,635 |

Acquisitions and Shadow Programme

| Project | Agent | No of units | Site Start | Complete | Target Spend |
|------------------------------|--------------|--------------------|-------------------|-----------------|---------------------|
| Elgin, Findrassie | Cairn | 68 | tbc | tbc | tbc |
| Elgin, Lesmurdie Field | Hanover | 36 | tbc | tbc | tbc |
| Pinegrove, Elgin | Hanover | 14 | tbc | tbc | tbc |
| Dufftown | MC | 6 | tbc | tbc | £420,000 |
| Lhanbryde | tbc | tbc | tbc | tbc | tbc |
| Forres, Taigh Farrais | Hanover | tbc | tbc | tbc | £120,000 |
| Sunbank, Lossiemouth Phase 1 | Osprey | tbc | tbc | tbc | tbc |



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

SUBJECT: HOUSING AND PROPERTY SERVICES – SERVICE IMPROVEMENT PLAN 2018/19

BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE)

1. REASON FOR REPORT

- 1.1 To provide the Committee with a progress report on the Housing and Property Service Improvement Plan 2018/19 to 31 March 2019.
- 1.2 This report is submitted to Committee in terms of Sections III (A) (4) and (G) (15) of the Council's Scheme of Administration relating to public performance reporting; and developing and monitoring the Council's Performance Management Framework for the Communities Services.

2. RECOMMENDATION

- 2.1 **It is recommended that Communities Committee considers and notes the progress that has been achieved in relation to the Housing and Property Service Improvement Plan for 2018/19, as set out in APPENDIX I.**

3. BACKGROUND

- 3.1 The Local Outcomes Improvement Plan (10 year plan) and the Corporate Plan 2023 were the key documents that influenced the development of the Housing and Property Service Improvement Plan 2018/19.
- 3.2 The Service Plan also took into account a range of other factors used by Managers to identify the changes required to services, i.e.
 - Resource Changes;
 - Legislative Changes;
 - Council Policy Changes;
 - Risk;
 - Customer and Staff Engagement;
 - Quality, Performance and Self Evaluation; and
 - The wider financial challenges facing the Council at this time.

- 3.3 The Housing and Property Service Improvement Plan 2018/19 set out the

key priorities that the service would seek to achieve in the reporting year.

Key actions for the Service in 2018/19 were:-

- Increase housing supply and the industrial portfolio;
- Tackle and prevent Homelessness where possible;
- Implement actions to deliver financial sustainability;
- Assist in the Modernisation and Improvement Programme; and
- Manage assets effectively.

3.4 A total of 18 separate service priorities were included in the Service Improvement Plan in 2018/19. Of these, 16 were expected to have been completed by 31 March 2019.

3.5 **APPENDIX I** provides details of the progress achieved to 31 March 2019.

4. PROGRESS TO DATE

4.1 A total of 7 actions have been completed by 31 March 2018, 4 of which were reported to this Committee on 5 February 2019 (paragraph 10 of the Minute refers). The 3 further actions completed in the final quarter of the year were:

4.1.1 The preparation of the Local Housing Strategy (LHS), a final version of which was approved by this Committee on 2 April 2019 (paragraph 6 of the Minute refers).

4.1.2 The termination of the contract at the Royal Hotel in Forres will ensure that the 2019/20 target savings for the reconfiguration of temporary accommodation will be achieved.

4.1.3 The review of the Housing Allocations Policy, the final version of this was approved by this Committee on 5 February 2019 (paragraph 9 of the Minute refers).

4.2 Significant progress has been achieved on the remaining 9 priorities due for completion in 2018/19 but they have not been fully achieved due to varying reasons:

4.2.1 At year-end, spend on the Moray Affordable Housing Supply Programme 2018/19 was £6.195m representing 78% of the £7.983m target. A separate report on the Committee agenda provides details of the outturns on the programme and the reasons for the slippage.

4.2.2 68 Council new build completions were achieved against the target of 70. At year-end, 50 houses were on site and a number of projects in the pipeline to start in 2019/20. A further 163 are programmed to complete by the end of 2020/21 in line with the target of 70 completions per annum.

4.2.3 Adjustments to the Energy Efficiency Standard for Social Housing (EESH) programme were made during the year which resulted in a revision to the target spend for 2018/19. Whilst progress was made on the delivery of energy efficiency improvements to the housing stock, close monitoring of the

programme and spend will continue into 2019/20 and beyond to ensure that EESSH is achieved by December 2020.

- 4.2.4 Good progress was made on the delivery of the Home Energy Efficiency (HEEPS) programme with the delivery measures now focussing on internal wall insulation rather than external wall insulation as in previous years. The rolling programme will continue into 2019/20. A report on programme progress will be presented to the next meeting of this Committee on 27 August 2019.
- 4.2.5 By year-end, Private Sector Housing Grants spend was £452k representing 77% of the £613k target. This is an improvement on the 60% of target achieved in 2017/18. A major reason for underspend continued to be the high number of late cancellations of works. The governance of this budget now sits with the Moray Integration Joint Board.
- 4.2.6 Agreement was reached with Highlands and Islands Enterprise (HIE) on the terms of the purchase ground at Forres Business Park for industrial units. In view of the Council's budget position, the proposals to develop the site were postponed as non-essential spend for 2019/20 and removed from the capital plan. Inclusion in a future capital plan will depend on an improvement in the Council's budget position.
- 4.2.7 Of the Housing Investment Programme spend, 95% (£10.147m) of the target £10.7m was spent on reactive; planned; and cyclical work.
- 4.2.8 Of the non-Housing Capital Investment spend, 88% (£5.433m) of the target £6.15m was spent. Budget savings on planned projects impacted on the achievement of this target.
- 4.2.9 The review Out of Hours Service has been deferred to allow further consideration to be given to the implications for other Council services which use out of hours.
- 4.3 Significant progress was also made on actions due for completion beyond 2018/19:
 - 4.3.1 Work on the implementation of the Property Asset Management Appraisal commenced following its approval by the Moray Council on 12 December 2018.
 - 4.3.2 Significant progress was made on the the review of Property Services and Property Asset Management. This action is on programme for completion by 31 March 2020.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Service Improvement Plan has been structured to support the Corporate Plan 2023 and the Local Outcomes Improvement Plan. The main aims of the Service Improvement Plan is to promote economic development and growth, raise aspirations and to work towards a financially stable Council that provides valued services to our communities.

(b) Policy and Legal

Statutory requirements and Council policies are considered by Managers when preparing service plans for the year ahead.

(c) Financial implications

No additional financial resources are required to support the Service Plan.

(d) Risk Implications

Up to date risk registers are maintained and considered by Managers as part of the service planning process.

(e) Staffing Implications

Service Plans are vital to good management practice including identifying priorities and matching staff time to Council's priorities.

(f) Property

There are no Property implications arising from this report.

(g) Equalities/Socio Economic Impact

Managers consider equalities issues for staff and service users when assessing current service delivery arrangements and future arrangements.

(h) Consultations

This report has been prepared in consultation with Service Managers and Tracey Sutherland (Committee Services Officer) who agree the content of the report where it relates to their area of responsibility.

6. CONCLUSION

- 6.1 The Service Improvement Plan explores different ways of delivering services more efficiently and effectively, whilst facing the tough challenges of reducing budgets and increased demands for our services. This report presents an update on the Service Improvement Plan 2018/19 at year-end on 31 March 2019. 7 out of 16 priorities due for completion by this date have been completed. The reasons for the others not completing are set out in the report.**

Author of Report: Graeme Davidson, Acting Head of Housing and Property

Background Papers: With author

Ref:

Housing and Property Service Plan 2018-19

Report Type: Actions Report
Generated on: 03/05/2019



Status: Overdue 9 In Progress 2 Completed 7 (82% complete)


| | | | | | | | | | |
|--|-----------|--|------------------------------------|--|----------------------------|--|--------------------|--|-----------|
| | Completed | | Not Started; In Progress; Assigned | | Unassigned; Check Progress | | Overdue; Neglected | | Cancelled |
|--|-----------|--|------------------------------------|--|----------------------------|--|--------------------|--|-----------|

Priority 1.1 - Increase the supply of affordable housing

| Action Code | Action Title | Due Date | Latest Status Update | Status Progress | Status Icon |
|----------------|--|-------------|--|-----------------|-------------|
| HPS18-19.1.1.1 | Prepare and submit Strategic Housing Investment Plan (SHIP) to the Scottish Government | 30-Nov-2018 | Submission made. | 100% | |
| HPS18-19.1.1.2 | Deliver the Moray Affordable Housing Supply Programme with target spends of £7.983m in 2018/19. | 31-Mar-2019 | £6.195m spend achieved at quarter end. Spend on projects and land acquisitions identified for the year will be carried forward to 2019/20. | 78% | |
| HPS18-19.1.1.3 | Deliver the Council's new build Programme of 70 new houses per year and/or land acquisitions for future developments | 31-Mar-2019 | 68 completions at end of Q4. | 95% | |
| HPS18-19.1.1.4 | Prepare Local Housing Strategy (LHS) 2018-23 | 31-Mar-2019 | Final LHS approved by Communities Committee on 2 April 2019 | 100% | |

Priority 1.2 - Improve the quality of housing across Moray


| Action Code | Action Title | Due Date | Latest Status Update | Status Progress | Status Icon |
|----------------|--|-------------|--|-----------------|-------------|
| HPS18-19.1.2.1 | Achieve target expenditure of £1.8m (excluding fees) on the EESSH programme of works | 31-Mar-2019 | Target expenditure for this year was revised to £865k (Report to Communities Committee in May 2018). Contractor has now completed all heating replacements under this budget and overall expenditure is approximately £1.2m (excluding fees) to date so target for 2018/19 has been exceeded although still within allowed budget. Cavity wall insulation now completed where houses required cavity fill and costs substantially less than tender value. A range of EWI works has been funded to this budget as directly EESSH related. | 65% | |
| HPS18-19.1.2.2 | Implement Moray HEEPS Programme | 31-Mar-2019 | Measures carried out under 2017/18 programme completed in August 2018. Works commenced on the 2018/19 programme began in January 2019. Scottish | 80% | |

| | | | | | |
|----------------|--|-------------|--|-----|---|
| | | | Government funding allocation for 2019/20 received and proposals for 2019/20 have been submitted. | | |
| HPS18-19.1.2.3 | Deliver Care and Repair Service and achieve Private Sector Housing Grants spend of £613k on disabled adaptations and repairs | 31-Mar-2019 | £472k spend achieved at year end. However, the 2018/19 budget has been fully committed, with works expected to be completed during Q1 2019/20. | 77% |  |



Priority 1.3 - Tackle Homelessness



| Action Code | Action Title | Due Date | Latest Status Update | Status Progress | Status Icon |
|----------------|---|-------------|--|-----------------|---|
| HPS18-19.1.3.1 | Consider the Scottish Government's approach to rapid rehousing plans for homeless households and prepare a plan for submission to SG by December 2018 | 31-Dec-2018 | Draft Rapid Rehousing Transition Plan approved by Communities Committee on 20 November 2018 and submitted to Scottish Government on 7 December 2018. | 100% |  |
| HPS18-19.1.3.2 | Reconfigure the supply of temporary accommodation to achieve target savings for 2019/20 | 31-Mar-2019 | The key milestone for this action was the termination of the contract for temporary accommodation at the Royal Hotel in Forres on 31 March 2019. This will ensure that budget savings for 2019/20 will be achieved. | 100% |  |
| HPS18-19.1.3.3 | Review our Allocation Policy to ensure compliance with the Housing (Scotland) Act 2014 | 31-Mar-2019 | On 20 November 2018, Communities Committee approved changes to the Allocation Policy and to consult wider with the public and other key stakeholders. The final policy was approved by Communities Committee on 5 February 2019, with implementation planned for 1 May 2019. | 100% |  |

Priority 1.4 - Increase the supply of Industrial Units for business



| Action Code | Action Title | Due Date | Latest Status Update | Status Progress | Status Icon |
|----------------|--|-------------|---|-----------------|--|
| HPS18-19.1.4.1 | Finalise negotiation to purchase ground at Forres Business Park from HIE. If negotiations are successful, conclude purchase of site and develop detail design and tender documents | 31-Mar-2019 | Purchase price for ground agreed with HIE. Business case for the purchase and development of the site has been approved through the project management gateway. Due to the Council's budgetary position, the project was postponed and removed from the 2019/20 capital plan. | 99% |  |

Priority 2.1 - Delivering Financial Sustainability


| Action Code | Action Title | Due Date | Latest Status Update | Status Progress | Status Icon |
|----------------|--|-------------|---|-----------------|---|
| HPS18-19.2.1.1 | Develop and implement a process to recover costs associated with late payment of rents for industrial properties | 31-Dec-2018 | A process to recover costs associated with late payment of rents for industrial properties has been agreed and implemented with Legal services and all tenants have been notified of the charges. Recovery charges for late payments will be reported to Committee as part of the Annual Industrial Portfolio Report. | 100% |  |
| HPS18- | Achieve target expenditure of £10.7m (excluding fees) | 31-Mar-2019 | Spend on Reactive/Voids/Planned/Cyclical to 31 March was £10.147m excluding | 95% |  |

| | | | | | |
|----------------|--|-------------|--|------|---|
| 19.2.1.2 | on the Housing Investment Programme | | Property fees | | |
| HPS18-19.2.1.3 | Achieve target expenditure of £6.15m (excluding fees) on all non- Housing Capital investment, together with major Design preparation and price negotiation on the EL Nursery programme for 2019/20 | 31-Mar-2019 | Expenditure of £5.433m of non-housing Capital expenditure was achieved to 31 March. Virtually all corporate buildings Planned projects were deferred to future years and this resulted in a reduction of expenditure of £600k contributing to the corporate savings target | 88% |  |
| HPS18-19.2.1.4 | Re- tender the Sub-contractors Framework for Response & Planned Repairs | 31-Dec-2018 | New framework went live on 1 February 2019. | 100% |  |

Priority 2.2 - Assist where required in the modernisation and Improvement Programme

| Action Code | Action Title | Due Date | Latest Status Update | Status Progress | Status Icon |
|----------------|--|-------------|--|-----------------|---|
| HPS18-19.2.2.1 | Implement key recommendations from the Property Asset Management Appraisal <ul style="list-style-type: none"> Office Review Depot Review Storage Review | 31-Mar-2020 | <ul style="list-style-type: none"> Office review commenced on 11 March 2019. Annexe desk review completed. Other office desk reviews expected for completion by 31 May 2019 Forres House – now with Architect to re-design provision in this building to close Auchernack Auchernack on target for closure from 1 October 2019. | 15% |  |
| HPS18-19.2.2.2 | Complete a review of Out of Hours Service and implement changes | 31-Mar-2019 | Deferred to give further consideration to the implications of the review for other Council services which use out of hours. | 0% |  |

Priority 2.3 – Actions to implement the Property Asset Management Appraisal

| Action Code | Action Title | Due Date | Latest Status Update | Status Progress | Status Icon |
|----------------|---|-------------|---|-----------------|---|
| HPS18-19.2.3.1 | Review of Property Services and Property Asset Management in 2018/19 and conclude in 2019/20. | 31-Mar-2020 | <ul style="list-style-type: none"> Draft Asset Management Staffing Structure completed on 4 April 2019 DLO Structure review also completed on 4 April 2019. This is linked to the Asset Management Staffing Structure hence why they were completed at the same time CMT still to decide on revised structures prior to Committee Approval | 90% |  |



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

SUBJECT: UNIVERSAL CREDIT IMPACT ON RENT ARREARS

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of the impact of Universal Credit (UC) on the Council house rent account.
- 1.2 This report is submitted to Committee in terms of Section III (G) (1c) of the Council's Scheme of Administration relating to the levy, collection, payment and recovery of Council house rents.

2. RECOMMENDATION

2.1 It is recommended that the Communities Committee considers and notes:

- (i) the impact UC is having on mainstream Council house rent collection; and
- (ii) the actions being taken by the Housing Service to manage the impact.

3. BACKGROUND

- 3.1 The Welfare Reform Act 2012 introduced by the UK Government aims to tackle poverty and welfare dependency through a simplified welfare system that encourages and incentivises people to find work. UC is at the heart of the Act and the Government's reforms.
- 3.2 Since the introduction of the welfare reforms programme Members have been provided with update reports on progress regarding the implications of the changes and how the services are responding. The latest report was considered by the Policy and Resources Committee on 7 June 2016 (paragraph 7 of the minute refers).

3.3 UC aims to make the welfare system simpler by replacing six benefits/tax credits with a single monthly payment. It is administered by the Department for Work and Pensions (DWP). It is a working age benefit and replaces:

- Housing Benefit
- Income Support
- Income-Based Job Seekers Allowance
- Income-related Employment & Support Allowance
- Child Tax Credits
- Working Tax Credits

Tenants of pensionable age still apply for housing benefit assistance through local authorities.

3.4 UC has been introduced by the DWP, across the UK, in stages to different groups of claimants over the past six years. At 31 March 2019, 1.8 million people were receiving UC.

3.5 On 16 November 2015, UC “Live Service” was introduced in Moray. The volumes were relatively small with only a limited number of single claimants without children moving onto UC. The Area Housing Teams monitor rent arrears on a weekly basis and the evidence suggested that the impact of Universal Credit “Live Service” was negligible.

3.6 On 27 June 2018, UC “Full Service” (UCFS) commenced in Moray with the gateway conditions being extended to include not only single claimants but couples and families with and without children. UCFS is digital by default, which means claimants must apply and manage their claim online. Claimants can manage their claim using an internet enabled device such as a smartphone, tablet or PC. As expected there has been a rapid increase in claims across all areas of Moray.

3.7 In Moray, there were 2,378 people receiving UC as at 31 March 2019. The breakdown by Jobcentre is shown below:

- | | |
|----------|-------|
| • Buckie | 769 |
| • Elgin | 1,216 |
| • Forres | 396 |

4. HOUSING COSTS AND UNIVERSAL CREDIT

4.1 Prior to the introduction of UC, housing benefit was paid direct to rent accounts from Moray Council’s Benefits team on a weekly basis. The first payment of UC takes 5 weeks to be paid thereafter the claimant is paid monthly in arrears. Under UC, Moray Council’s Area Housing Teams and Rent Administration Team will collect rent directly from Council house tenants receiving UC. It can be assumed that some tenants will have little or no experience of paying their own housing costs. UC claimants receive their payment monthly, on any day of the month, depending on the date their claim was made.

- 4.2 The claimant may be offered recoverable advanced payments to help them during the period they have to wait for their first payment. Advance payments can pay up to 100% of the claimant's estimated Universal Credit payment.
- 4.3 Alternative Payment Arrangements (APA's) can be set up under UC whereby a managed payment of the UC housing cost element is paid direct to the landlord. APA's can be requested for a variety of reasons including where tenants are in rent arrears by 8 weeks or more. The Department of Work and Pensions consider APA requests on a case-by-case basis. APA's are a resource intensive payment method to manage but there are plans to automate this process in the future.
- 4.4 On 29 June 2017, the Scottish Government laid regulations in the Scottish Parliament to make UC payments more flexible. The regulations commenced on 4 October 2017 and gave new UC claimants in Scotland, in full service areas, the option of having their housing costs paid direct to their landlord and/or if they want their UC paid twice monthly rather than monthly. These choices are offered to claimants via their journal on their online account after their first UC payment has been made. Claimants can choose to take up or stop either of these options at any time.

5. IMPACT OF UC ON COUNCIL TENANTS IN MORAY

- 5.1 Rent Arrears comparison as at 31 March over the last four years:

| Balance Date | Total tenancies | Number in arrears | % in Arrears | Total arrears (£) | Average arrears (£) |
|--------------|-----------------|-------------------|--------------|-------------------|---------------------|
| 31/03/2016 | 5,947 | 953 | 16 | 264,820 | 278 |
| 31/03/2017 | 5,895 | 942 | 16 | 281,031 | 298 |
| 31/03/2018 | 5,894 | 989 | 17 | 275,508 | 279 |
| 31/03/2019 | 5,926 | 1,091 | 18 | 347,110 | 318 |

- 5.2 It would appear the introduction of UCFS on 27 June 2018 has had a significant impact on Council house rent collection as there has been a substantial increase in rent arrears. During 2018/19, current tenant rent arrears increased by £71,602 (26%) from £275,508 to £347,110. This figure should be taken in the context that other variable factors have contributed to this increase, e.g. a 4% rent increase was applied at the start of the year and there were 32 additional tenancies at the end of year due to Council's new build programme.

Although evidence hasn't been gathered nationally, from discussion with peers at the Scottish Rent Forum and North Welfare Reform Forum, it appears that many other local authorities across Scotland have been experiencing higher rent arrears as result of UC.

- 5.3 It is difficult to collate accurate statistical information relating to UC. For example, a tenant that is in receipt of UC and has rent arrears may have accumulated some or all of these arrears prior to being awarded UC. It is also not possible to accurately calculate the number of tenants that are receiving UC. Social landlords are notified by the DWP when a tenant makes a claim for UC but are not informed whether the claim is successful. Furthermore, if a

tenant stops receiving UC, the social landlord is not informed by the DWP. This requires the Area Housing Teams to have a far greater amount of contact with their tenants.

- 5.4 The table below provides rent arrears data on Council tenants in Moray known to be in receipt of UC as at 7 May 2019.

| Tenants on UC | No. in arrears | % in arrears | Total UC arrears (£) | Average arrears (£) |
|---------------|----------------|--------------|----------------------|---------------------|
| 717 | 502 | 70.01 | 224,590 | 447.39 |

- 5.5 Rent arrears for tenants known to be on UC are higher than those that are not. The average rent arrears owed by a UC claimant as at 7 May 2019 was £447.39. By way of comparison, the average rent arrears owed by tenants not claiming UC as at 7 May 2019 was £240.54. The five week waiting period at the start of the claim and the fact UC is paid in arrears is a contributing factor.
- 5.6 The amount of additional rent to be collected, direct from tenants claiming UC, is having a significant impact on staff resource in the Area Housing Teams and Rent Administration Team. Working with these tenants to ensure they have a secure provision in place for paying rent themselves, on time and in full and on a sustained basis, is extremely resource intensive, with a great deal of additional contact being required.
- 5.7 Despite the roll-out of UCFS in Moray the Housing Service has still managed to achieve their annual rent collection targets at year end. Further detail will be provided in the Housing Performance Report that will be presented to the Communities Committee on 27 August 2019. The targets were achieved through the commitment of staff and collaborative working with our partners and stakeholders to deliver the actions detailed in the next section.

6. ACTIONS TAKEN BY COUNCIL TO MITIGATE RISKS FROM UC

- 6.1 Listed below are a range of actions that have been taken by the Council to mitigate the risk of higher rents arrears from UC:
- (i) the Area Housing Teams were subject to a change management plan in October 2015 which took into consideration the additional resources and operational focus that UC would require.
 - (ii) Landlord Portal – Implemented DWP system that asks us to verify our tenants rent to enable UC Housing element to be paid to tenant. This is a paperless system and has assisted with ensuring correct information is sent to DWP to allow claims to be processed quickly and without error.
 - (iii) Northgate Housing System – fields added to allow us to record tenant is on UC and how payments are being received.
 - (iv) Area Housing Officers aim to contact each tenant when we are made aware of UC Full Service Claim and ensure they are aware of all processes relating to UC and paying their rent. Discussions include information such as when they expect their first payment to be received, the frequency of payment, how to apply for an advance payment and how to pay rent directly to the landlord so that they do not

fall into rent arrears. Pursuing an APA or encouraging a tenant to have their housing costs paid direct to us will be considered on a case by case basis. The tenant is also asked if they require any financial advice or assistance and will signpost them to any additional agencies (e.g. Council's Revenue Service, Money Advice & Citizen's Advice Bureau) as requested.

- (v) weekly rent arrears reports are published including a report identifying tenants known to be on UC and in rent arrears.
- (vi) the housing service continues to meet and work closely with DWP and advice agencies (e.g. Money Advice & Citizen's Advice Bureau) to ensure any issues are addressed.
- (vii) Council representation at the Scottish Rent Forum and North Welfare Reform Forum to share knowledge, experience and good practice.
- (viii) UC articles in the "Tenants' Voice" newsletter.
- (ix) the Housing Service produced an information leaflet for tenants "Universal credit –a Guide for Moray Council tenants".
- (x) Moray Council website provides information on claiming UC, paying your rent and where to get support.
- (xi) members of the housing service have visited Highland Council to learn from their experience given they were a pilot authority.

7. MANAGED MIGRATION TO UC

7.1 The UK Government's current plan is that existing benefit claimants will be moved over to Universal Credit by December 2023. From July 2019, DWP will commence test and learn on managed migration at Harrogate Jobcentre for a period of 18 months. Following this, managed migration will commence from 2021 – 2023 across the UK. During this phase, DWP will start to migrate all legacy benefits (Housing Benefit, Income Support, Income-Based Job Seekers Allowance, Income-related Employment & Support Allowance, and Child Tax Credits & Working Tax Credits) on to UC. This will include existing Housing Benefit claims from working age claimants. There are no details yet regarding when this will commence in Moray.

7.2 As an indication of the number of claims that will be moved across to UC, there were 2,632 Housing Benefit claims in Moray from working age claimants as at 5 April 2019. The breakdown by tenancy type is shown below:

- Local Authority 1,444
- Housing Association 658
- Private 530

Claimants who are moved across to UC under managed migration are eligible for transitional protection. This ensures the amount of UC a person receives is not less than they would have received on previous benefits. The transitional protection remains in payments until such time the normal UC payment catches up over time. Claimants are only eligible for transitional protection when they are moved across to UC by DWP.

7.3 The continuing roll-out of UC will put pressure on rent collection in years to come and this will be monitored closely as a key service priority and

appropriate mitigation action will be taken, including the allocation of staff resources if required.

8. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The revenue generated by rental income enables the Council to maintain and improve its housing services and provide the best outcomes for tenants and other customers. It also enables the Council to invest in its existing housing stock and deliver new affordable housing. This supports the priorities identified in the Corporate Plan and the Housing and Property Service Plan.

(b) Policy and Legal

The rent arrears policy will require to be reviewed to integrate UC. The Council has a duty to ensure that tenants receive a consistency of service therefore the approach to income collection cannot be varied for tenants paying and those receiving assistance with rent payments.

(c) Financial implications

Increased rent arrears resulting from the roll-out of UC would impact on the level of income generated by the Housing Revenue Account to deliver and improve services and invest in the Council's housing stock.

(d) Risk Implications

Rising rent arrears as a result of the roll-out of UC in Moray could have a detrimental impact on the Council's Housing Revenue Account. The delivery of the Council house building programme and investment in existing properties is dependent upon a stable rental income stream.

(e) Staffing Implications

The Housing Service has allocated additional staffing resources to manage the risks of increasing rent arrears arising from UC. The level of resources required will be monitored closely as the number of tenants moving on to Universal Credit increases during the coming years. Staff resources will be allocated to this area as required.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

Universal Credit will impact on households who are socio-economically disadvantaged. Households claiming Universal Credit will be at risk of financial hardship when awaiting claims to be processed as payments are made monthly in arrears. Households experiencing financial hardship or budgeting difficulties are referred to the Council's Money Advice/Income Maximisation teams for advice and assistance. Claims for Universal Credit are made online and this could disadvantage those who do not have access to digital communication or who do not have the skills to make online applications. The Housing Service will make referrals to the Citizen's Advice Bureau for tenants that require support to make a UC claim.

(h) Consultations

Consultations have taken place with the Corporate Director (Economic Development, Planning and Infrastructure), Acting Head of Housing and Property, Deborah O'Shea (Principal Accountant), Kathryn Macpherson (Senior Solicitor), Norma Matheson (Benefits Manager), Senior Managers within Housing Service and Tracey Sutherland (Committee Services Officer) and any comments received have been incorporated into the report.

9. CONCLUSION

- 9.1 This report provides the Communities Committee with an overview of the impact of Universal Credit on mainstream Council house rent collection. The report details actions by the Housing Service to manage the impact.**

Author of Report: David Munro, Housing Services Manager
Background Papers:
Ref:



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING – 31 MARCH 2019

BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE)

1. REASON FOR REPORT

- 1.1 This report presents the unaudited budget position for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period up to 31 March 2019.
- 1.2 This report is submitted to Committee in terms of section III G (1) of the Council's Scheme of Administration relating to the management of budgets.

2. RECOMMENDATION

- 2.1 **It is recommended that Communities Committee considers and notes the unaudited budget monitoring report for the period to 31 March 2019.**

3. BACKGROUND

- 3.1 The Council agreed the HRA Budget for 2018/19 at its meeting on 14 February 2018 (paragraph 13 of the Minute refers). Housing and Property budget monitoring reports are presented to each cycle of meetings.

4. HOUSING REVENUE ACCOUNT TO 31 MARCH 2019

- 4.1 **APPENDIX I** details the provisional and unaudited HRA budget position to 31 March 2019.
- 4.2 The main expenditure variances relate to:–
 - 4.2.1 **Supervision and management** – there are a range of variations within this budget resulting in a net overpend of £26k. There were overspends in void rent loss (£82k), the Bilbohall Masterplan (£26k), new software for the Common Housing Register (£8k), council tax for Cluny Annexe, Buckie (£11k) and insurance (£17k). This was reduced by underspends in Staffing (£22k), Training (£6k), ICT (£24k), Shared Accommodation costs (£48k), Printing and stationery (£4k), Sherriff Officer fees (£5k), tenant participation (£5k) and other minor underspends (£4k).

- 4.2.2 **Sheltered Housing** – there was an overspend of £1k due mainly to higher than expected energy costs.
- 4.2.3 **Repairs and maintenance** – there was an overspend of £574k in the repairs and maintenance budget. The overspends included planned works (£53k), response repairs (£36k) and void repairs (£241k). The financial performance of Building Services (DLO) at year end (£244k) has also impacted on the level of overspend within this budget area. This has been explained in more detail within the DLO budget monitoring report also to be considered as part of this Committee Agenda.
- 4.2.4 **Financing Costs** – there was an overspend of £119k due to increases in interest rates throughout the year.
- 4.2.5 **Bad and doubtful debts** – there was an underspend of £136k due to fewer write offs than expected being approved throughout the year.
- 4.2.6 **Current Revenue from Capital (CFCR)** – there was less CFCR (£577k) than forecast due to overspends elsewhere within the HRA budget.
- 4.2.7 **Downsizing Incentive Scheme** – there was an underspend of £13k at year end. This was due to fewer transfers being completed in the final quarter than was projected. On 13 May 2019, the Housing Options Advisor (Downsizing) commenced in their dedicated role to oversee the incentive scheme.
- 4.2.8 **Service Developments** – this budget included provision for a full Tenants' Survey (£18k) and ongoing ICT improvements (£5k). There was an underspend of £14k at year end due to the survey costing less than anticipated (£9k) and the ICT improvement budget not being required in this financial year (£5k).
- 4.3 The income at 31 March 2019 was £20k higher than projected. New build completions generated a higher income than expected (£18k); interest rates were higher than projected (£26k). This was reduced by lower than expected rechargeable repairs (£24k).

4.4 The estimated HRA surplus at 31 March 2019 is £1.175m.

5. **OTHER HOUSING BUDGET**

- 5.1 **APPENDIX II** provides details of the provisional and unaudited budget position to 31 March 2019.
- 5.2 **Planning and Development** consists of Improvement Grants and Affordable Housing budgets. There was an underspend of £44k as a result of an underspend in discretionary grants (£16k) and Capital Grant funding being £28k more than budgeted.
- 5.3 **Housing Management** relates to the Gypsy/Traveller Budget. This shows a £7k underspend due to minor underspends mainly in staffing and the provision of chemical toilets.

- 5.4 **Homelessness/Allocations** comprises Homelessness, Landlord Registration and Housing Support services. There was an underspend of £119k due to variances across a range of budgets. This includes underspends in Landlord Registration (£11k), Homeless Persons (£108k) and Homelessness (£3k). This is reduced with an overspend in Housing Support (£3k).
- 5.5 **Miscellaneous General Services Housing** comprises of House Loans, a maintenance bond from Grampian Housing Association and the new complex needs development at Urquhart Place, Lhanbryde. There was an underspend of £36k across these three budgets. An underspend in Urquhart Place (£39k) was reduced by overspend in the maintenance bond (£3k) which has now exhausted.
- 5.6 **The Building Services Budget** is reported in detail separately on this Committee's agenda and any surplus achieved will return to the HRA.
- 5.7 **The Property Services Budget** includes the budgets for the Design Team and Property. There was an underspend of £351k at year end due to variances across a range of budgets within these services. The Design Team had underspends in relation to rental income for the industrial estates (£61k), Estates (£2k) and energy efficiency (£24k). This was reduced by an overspend in ICT software (£11k). Property Services had underspends in energy costs (shared buildings) (£11k), asbestos consultancy (£4k) and the central repairs and maintenance budget (£422k) due to postponed planned works. These underspends were reduced by overspends in staffing (£2k) and reduced fee income (£160k).
- 5.8 As at 31 March 2019, the Other Housing Budget shows an unaudited net underspend of £572k.

6. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The provision of new affordable housing, the maintenance of the Council's housing stock and dealing with homelessness are priorities identified within the Corporate Plan, the Council's Local Housing Strategy, the Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan.

(b) Policy and Legal

There are no policy or legal implications arising from this report.

(c) Financial Implications

The financial implications of this report are considered in Sections 4 and 5 of this report and detailed in **APPENDIX I** and **II**.

(d) Risk Implications

Budget managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from the Committee in line with Financial Regulations.

(e) Staffing implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts arising from this report.

(h) Consultations

This report has been prepared in close consultation with Finance staff. Consultation on this report has been carried out with Deborah O'Shea (Principal Accountant), Legal Services Manager, Senior Managers within Housing and Property Services, and Tracey Sutherland (Committee Services Officer) who all agree the content of the report where it relates to their area of responsibility.

7. CONCLUSION

7.1 This report sets out the provisional and unaudited budget position for the HRA and General Services Housing budgets to 31 March 2019 and also comments on the variances on these budgets.

| | |
|--------------------|--|
| Author of Report: | Graeme Davidson, Acting Head of Housing and Property |
| Background Papers: | Held by author |
| Ref: | CC/JS/LS – Housing Budgets – |

Appendix I

Housing Revenue Account

Budget Monitoring to 31st March 2019

| Service Description | Annual Budget 2018- 19 | Actual to 31st March 2019 | Variance to 31st March 2019 |
|--|------------------------------|------------------------------|-----------------------------------|
| Expenditure | £,000 | £,000 | £,000 |
| Supervision & Management | 4,122 | 4,148 | (26) |
| Sheltered Housing | 37 | 38 | (1) |
| Repairs and Maintenance | 6,340 | 6,914 | (574) |
| Financing Costs | 3,709 | 3,828 | (119) |
| Bad & Doubtful Debts | 250 | 114 | 136 |
| CFCR | 4,581 | 4,004 | 577 |
| Downsizing Incentive Scheme | 72 | 59 | 13 |
| Service Development | 23 | 9 | 14 |
| Total Gross Expenditure | 19,134 | 19,114 | 20 |
| | | | |
| Income | £,000 | £,000 | £,000 |
| Non-dwelling rents | 214 | 214 | 0 |
| House rents | 18,812 | 18,830 | 18 |
| IORB | 11 | 38 | 27 |
| Other income | 97 | 72 | (25) |
| Total Income | 19,134 | 19,154 | 20 |
| | | | |
| Surplus / (Deficit) for the year | 0 | 40 | 40 |
| | | | |
| Accumulated Surplus Balance brought forward | | 1,132 | |
| | | | |
| Estimated Surplus Balance at 31st March | | 1,172 | |

General Services Housing & Property

Appendix II

Monitoring to 31st March 2019

| Service Description | Annual Budget 2018-19 £'000 | Actual to 31st March 2019 £'000 | Variance at 31st March 2019 £'000 |
|--|--------------------------------------|---|---|
| Planning & Development | 329 | 285 | 44 |
| Housing Management | 15 | 8 | 7 |
| Homelessness / Allocations | 2106 | 1987 | 119 |
| Miscellaneous General Services Housing | (21) | (57) | 36 |
| Building Services | (187) | (181) | (6) |
| Property Services | 1006 | 655 | 351 |
| General Services Housing & Property Savings | 53 | 0 | 53 |
| General Services Housing & Property Allocations | (170) | (138) | (32) |
| General Services Housing & Property Total | 3131 | 2559 | 572 |



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

SUBJECT: HOUSING INVESTMENT 2018/19

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 This report informs the Communities Committee of the near final budget position to 31 March 2019 for the Housing Investment Programme for 2018/19.
- 1.2 This report is submitted to Committee in terms of Section III G (3) of the Council's Scheme of Administration relating to the maintenance of the Council's housing stock.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes the near final position as at 31 March 2019 with regards to the Housing Investment Programme for 2018/19.**

3. BACKGROUND

3.1 Investment Programme

APPENDIX I shows income and expenditure for 2018/19. The Appendix includes expenditure on the Council house new build programme as 'Other Capital Expenditure' however this is now the subject of a separate monitoring report and the figure is for information only. Spend of £11.451m was achieved on the Housing Investment Programme to 31 March 2019, which represents 91% of the agreed programme. The expenditure figure represents payments which have progressed through the finance system to 31 March 2019. The Housing Investment Programme for 2018/19 continued to reflect investment required to maintain the housing stock at the Scottish Housing Quality Standard (SHQS), attain the Moray Standard (TMS) and replace life expired elements such as kitchens, heating and windows on a lifecycle basis. It also includes capital expenditure aimed at achieving the Energy Efficiency Standard for Social Housing (EESH) by 2020.

- 3.2 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £3.575m to 31 March 2019 and represented a 9% overspend of the agreed programme. This overspend of £283k is slightly above the previously projected overspend of £250k and relates mainly to expenditure on void

properties. This overspend can be contained within the overall Housing Investment Budget.

3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £578k was achieved to 31 March 2019 and represents 86% of the agreed programme level. The major areas of variance are:

- Garage Upgrades – £45k underspend due to delays outwith service control.
- Estates Upgrades - £80k underspent due to contracts still to be completed and some works reduced in scope following inspection/survey.
- Miscellaneous - £77k overspend for unforeseen works carried out under this budget head that could not be appropriately funded from other budget areas.

3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £1.516m was achieved to 31 March 2019 and represents an 8% overspend of the agreed programme level. The major areas of variance are:

- Gas Servicing - £226k overspend due to increased levels of 'out-with' repairs not covered as part of the regular gas servicing and charged as additions to the contract.
- Prepaint Repairs & External Painterwork - £88k underspend due to resourcing issues within Building Services.

3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £5.782m was achieved to 31 March 2019 and represents 80% of the agreed programme. The major areas of variance are:

- Kitchens and Bathroom Upgrades - £298k underspend due to resourcing and programming issues within Building Services.
- Central Heating - £355k overspend due to the inclusion of a number of additional full replacements where systems required immediate replacement due to failure.
- EESSH – £1.110m underspend within this budget. As previously reported to committee the budget requirement for EESSH was reduced to £895k following revised guidance issued by the Scottish Government. The final true underspend of £145k is due to substantially reduced work requirements on some contracts, specifically cavity wall insulation and loft insulation.
- Rainwatergoods - £173k underspent due to procurement issues and late start on site by appointed contractor.
- Plumbing Upgrades - £254k overspend due to significant numbers of heating system boilers requiring immediate replacement due to failure.
- Common Stairs - £65k overspend due to over commitment of budget and agreement of historical final account.

3.6 General Programme Updates

54 properties have had asbestos tanks, associated debris or other asbestos containing materials (ACM's) removed during the financial year to date. The presence of asbestos materials in some properties has an impact on the Council's planned maintenance and void works however removal works are

implemented in advance wherever possible in order to keep any programme delays to a minimum.

- 3.7 The contractor appointed to install External Wall Insulation (EWI) to 19 non-traditional properties located in Forres and Lossiemouth, where adjacent private sector properties have already been improved through the Home Energy Efficiency Programme for Scotland: Area Based Scheme (HEEPS:ABS) has now completed work on all the properties. These improvement works will allow the Council to make progress towards meeting EESSH by 2020.
- 3.8 Contractors involved in the Warm Homes Fund heating project being carried out in conjunction with Perth and Kinross Council, Scottish and Southern Energy (SSE) and Scotia Gas Networks (SGN) have now completed their pre-installation surveys, however a full programme of installations is still awaited from SSE. Work is likely to start in late May 2019.
- 3.9 The contractor appointed to carry out 127 EESSH related heating replacements has now completed all properties within the contract. The same contractor has also completed a further 20 replacements related to SHQS failures. These projects will also assist with meeting EESSH and SHQS through the replacement of older inefficient gas and electric heating systems with new energy efficient gas heating.
- 3.10 Income and Expenditure for Private Sector Housing
APPENDIX VI shows the position with regard to grant expenditure for Private Sector Housing Grants to 31 March 2019. The budget in category B is now the responsibility of the Moray Integration Joint Board (MIJB) and the information is only for noting at this Committee. The legally committed figure of £500k represents 100% of the allocated budget. Spend to 31 March 2019 was £371k which represents 74% of the allocated budget.
- 3.11 The legally committed figure of £115k in Category C represents a 9% over commitment of the allocated budget. Spend to 31 March 2019 was £98k which represents 93% of the allocated budget. There has been £18k repaid to this budget which has impacted on the legally committed and spend figures.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

This proposal relates to:

Priority 1 – Creating a growing, diverse and sustainable economy and;
Priority 2 - Empowering and connecting communities.

(b) Policy and Legal

Maintenance and Improvement works are carried out in order to meet statutory legal requirements and in accordance with current relevant policies.

(c) Financial implications

The financial implications associated within this report are dealt with in paragraphs 3.1 to 3.10 above, with details of the Council house new build programme now being the subject of a separate monitoring report.

(d) Risk implications

Failure to expend agreed budgets may affect the Council's ability to maintain its stock at the Scottish Housing Quality Standard, replace life expired elements and attain the Energy Efficiency Standard for Social Housing. Budget Managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from Committee in line with the Financial Regulations.

(e) Staffing implications

There are no staffing implications associated with this report.

(f) Property

The improvement and maintenance of the housing stock will ensure that it remains sustainable in the longer term both physically and environmentally.

(g) Equalities/Socio Economic Impact

There are no equalities issues associated with this report as it is to inform the Committee on budget monitoring.

(h) Consultations

Consultations have taken place with the Acting Head of Housing and Property, Property Resources Manager, Building Services Manager, Legal Services Manager, Principal Accountant (Deborah O'Shea), Tracey Sutherland (Committee Services Officer) and the Home Improvement Services Manager, who agree with the sections of the report relating to their areas of responsibility.

5. CONCLUSION

- 5.1 Housing Investment for both the Council's housing stock and the private sector enables the Council to address the identified priorities to improve the quality of housing stock in Moray. More specifically, the investment in the Council's housing stock enables it to be maintained at the Scottish Housing Quality Standard, allows for replacement of life expired elements and makes progress towards the attainment of both the Moray Standard and the Energy Efficiency Standard for Social Housing.**

| | |
|--------------------|-----------------------------------|
| Author of Report: | John Macdonald, Asset Manager |
| Background Papers: | Held on file by the Asset Manager |
| Ref: | JMM/COMM28MAY/HINV |

APPENDIX I

INVESTMENT PROGRAMME INCOME AND EXPENDITURE 2018/19

31 March 2019
(all amounts in £'000)

HOUSING INVESTMENT PROGRAMME

| | Annual Budget 2018/19 | Expenditure to date | % Budget spent to date | Budget balance |
|---|--------------------------|---------------------|---------------------------|----------------|
| <u>Expenditure</u> | | | | |
| Response & Void Repairs | 3,292 | 3,575 | 109% | -283 |
| Estate Works | 675 | 578 | 86% | 97 |
| Cyclic Maintenance | 1,399 | 1,516 | 108% | -117 |
| Planned Maintenance (Revenue) | 1,009 | 1,050 | 104% | -41 |
| Planned Maintenance (Capital) | 5,898 | 4,373 | 74% | 1,525 |
| Other Investment (Revenue) | 10 | 2 | 20% | 8 |
| Other Investment (Capital) | 350 | 357 | 102% | -7 |
| Sub Total | 12,633 | 11,451 | 91% | 1,182 |
| <u>Other Capital Expenditure</u> | | | | |
| New Build - Capital Costs | 13,532 | 7,912 | | |
| Total | 26,165 | 19,363 | | |
| <u>Funded by</u> | | | | |
| HRA Revenue | 6,385 | 6,721 | 105% | |
| Government Grant | 5,559 | 3,133 | 56% | |
| Use of Council Tax Discount | 525 | 679 | 129% | |
| Prudential Borrowing | 9,115 | 4,755 | 52% | |
| Capital Receipts | 0 | 75 | n/a | |
| Useable Capital Receipts | 0 | 0 | n/a | |
| C.F.C.R | 4,581 | 4,000 | 87% | |
| Total | 26,165 | 19,363 | 74% | |

APPENDIX II

INVESTMENT PROGRAMME EXPENDITURE 2018/19

31 March 2019
(all amounts in £'000)

RESPONSE AND VOIDS REPAIRS

| | Annual Budget 2018/19 | Expenditure to date | % Budget spent to date | Budget balance |
|--------------------|--------------------------|---------------------|---------------------------|----------------|
| West Area Office | 1,102 | 1,250 | 113% | -148 |
| East Area Office | 858 | 753 | 88% | 105 |
| Void House Repairs | 1,332 | 1,572 | 118% | -240 |
| | 3,292 | 3,575 | 109% | -283 |

APPENDIX III

INVESTMENT PROGRAMME EXPENDITURE 2018/19

31 March 2019

(all amounts in £'000)

ESTATE WORKS

| | Annual Budget 2018/19 | Expenditure to date | % Budget spent to date | Budget balance |
|------------------------|--------------------------|---------------------|---------------------------|----------------|
| Garage Upgrades | 50 | 5 | 10% | 45 |
| Asbestos | 250 | 214 | 86% | 36 |
| Landscape Maintenance | 25 | 12 | 48% | 13 |
| Estates/Forum Upgrades | 250 | 170 | 68% | 80 |
| Miscellaneous | 100 | 177 | 177% | -77 |
| | 675 | 578 | 86% | 97 |

APPENDIX IV

INVESTMENT PROGRAMME EXPENDITURE 2018/19

31 March 2019
(all amounts in £'000)

CYCLIC MAINTENANCE

| | Annual Budget 2018/19 | Expenditure to date | % Budget spent to date | Budget balance |
|--------------------------------|--------------------------|---------------------|---------------------------|----------------|
| Gas Servicing | 803 | 1,029 | 128% | -226 |
| Solid Fuel Servicing | 40 | 33 | 83% | 7 |
| Air Source Heat Pump Servicing | 80 | 80 | 100% | 0 |
| Smoke Detector Servicing | 100 | 107 | 107% | -7 |
| PPR & External Painterwork | 266 | 178 | 67% | 88 |
| General Servicing | 85 | 89 | 105% | -4 |
| Inspections/House Surveys | 25 | 0 | 0% | 25 |
| | 1,399 | 1,516 | 108% | -117 |

APPENDIX V

INVESTMENT PROGRAMME EXPENDITURE 2018/19

31 March 2019

(all amounts in £'000)

PLANNED MAINTENANCE & OTHER INVESTMENTS

| | Annual Budget 2018/19 | Expenditure to date | % Budget spent to date | Budget balance |
|----------------------------------|--------------------------|---------------------|---------------------------|----------------|
| Kitchens and Bathrooms | 1,400 | 1,102 | 79% | 298 |
| Central Heating | 1,850 | 2,205 | 119% | -355 |
| EESSE Programme | 1,860 | 750 | 40% | 1,110 |
| Doors and Windows | 788 | 316 | 40% | 472 |
| Sub Total (Capital) | 5,898 | 4,373 | 74% | 1,525 |
| Rainwatergoods | 200 | 27 | 14% | 173 |
| Roof and Fabric Repairs | 250 | 161 | 64% | 89 |
| Plumbing Upgrades | 100 | 354 | 354% | -254 |
| Electrical Upgrades | 100 | 102 | 102% | -2 |
| Safety & Security | 25 | 42 | 168% | -17 |
| Common Stairs | 25 | 90 | 360% | -65 |
| Insulation | 200 | 170 | 85% | 30 |
| Sheltered Housing | 10 | 0 | 0% | 10 |
| Decoration Vouchers | 49 | 63 | 129% | -14 |
| Shower Installations | 50 | 41 | 82% | 9 |
| Sub Total (Revenue) | 1,009 | 1,050 | 104% | -41 |
| Disabled Adaptations | 350 | 357 | 102% | -7 |
| Sub Total (Other Capital) | 350 | 357 | 102% | -7 |
| Enabling Projects | 10 | 2 | 20% | 8 |
| Sub Total (Other Revenue) | 10 | 2 | 20% | 8 |
| Total | 7,267 | 5,782 | 80% | 1,485 |

APPENDIX VI

PRIVATE SECTOR HOUSING GRANT
SCHEME OF ASSISTANCE - 2018/1931 March 2019
(all amounts in £'000)

| | Budget Allocation 2018/19 | Spend to date | Balance | Legally Committed | Completed Cases |
|---------------------------|------------------------------|---------------|------------|-------------------|-----------------|
| <u>CATEGORY</u> | | | | | |
| Independent Living | | | | | |
| Category A (Revenue) | 8 | 3 | 5 | 8 | 0 |
| Category B | 500 | 371 | 129 | 500 | 67 |
| Category C | 105 | 98 | 7 | 115 | 21 |
| Overall Total | 613 | 472 | 141 | 623 | 88 |

| | |
|------------------------------|--|
| CATEGORY DESCRIPTIONS | |
| Category A | External agency running costs |
| Category B | Grant Assistance to aid Independent Living - Adaptations |
| Category C | Grant Assistance to aid Independent Living - House Condition Works |

